

FBIS

DAILY REPORT

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GOVERNMENT APPROVES UN CONVENTION ON APARTHEID

PY012109 Buenos Aires TELAM in Spanish 1701 GMT 1 Oct 85

[Excerpts] Buenos Aires, 1 Oct (TELAM) -- It was officially announced this morning at Government House that the executive branch has approved the international convention on the repression and punishment of the crime of apartheid, which was established by the UN General Assembly in Resolution No 3,068, dated 30 November 1973.

Argentina's approval was the subject of Law No 23,221, which states that Argentina understands that Article XII of the convention must be interpreted so that any dispute which is not resolved through negotiations and which departs from the convention can be submitted to the International Court of Justice only with Argentina's express consent.

Article 1 in Law No 23,221 states that apartheid is a crime against humanity, and that all the policies and practices of that means of segregation constitute a serious threat to international peace and security. The law then states that we are convinced that an international convention on the repression and punishment of the crime of apartheid will reportedly permit the implementation of more efficient measures, on the international and national level, to repress and punish the crime of apartheid.

MINISTRY CONDEMNS ATTACK ON PALESTINIAN CAMPS

PY012226 Buenos Aires TELAM in Spanish 2145 GMT 1 Oct 85

[Text] Buenos Aires, 1 Oct (TELAM) -- The Foreign Ministry this afternoon released a communique harshly condemning the attack against Palestinian camps south of the Tunisian capital city, and reissuing the call for talks and negotiations to overcome international conflicts. The text of the communique states:

The Argentine Government hereby condemns the military action carried out against the Palestinian camps south of the Tunisian capital city, in violation of Tunisian sovereignty and territorial integrity. Once again, the Argentine Government reasserts that the solutions to international problems must be through talks and negotiations and not through force, in violation of the UN Charter.

SENATE APPROVES BUDGET; LOW DEFICIT PLANNED

PY281910 Buenos Aires HERALD in English 28 Sep 85 p 1, 9

[Excerpt] The Senate passed the 1985 budget in full early yesterday morning on the final day of regular sessions, following an all night debate.

The Radical Party pushed through the first reading at 2:10 a.m. yesterday in a 24-21 vote, with the help of the San Juan Bloquista Party, the Neuquen Popular Movement and the Corrientes Liberal Autonomist Pact. Peronists and the Movement for Integration and Development voted against the bill.

Budget figures include 8,811,692,000 australs in current and capital expenditures and 6,517,689,000 australs in revenues, leaving an estimated deficit equivalent of 4.1 percent of the Gross Domestic Product (GDP), the lowest since 1974. Education gets 7.4 percent, one of its lowest ever allotments, while defence represents 7.0 percent, down from the 1984 budget allotment of 8.1 percent.

Of total defence expenditures, the Army receives 34.7 percent, the Navy 24.6 percent and the Air Force 25.6 percent, with another 15.6 percent set aside for various expenses. The bill also earmarks 257 million australs for emergencies and 3,870 million to cover miscellaneous expenses.

The government is also granted a total 1,198,404,000 australs to "introduce modifications in the necessary amounts allotted for amortizing debts and the use of credits destined to finance the administration."

The actual first reading yes-vote included 18 Radicals, five provincial independents (San Juan Senator Francisco Gil had to be taken from the floor minutes before the roll call due to health complications) and Peronist Senator from La Rioja Libardo Sanchez, who drew applause from his Radical colleagues. Article-by-article debate continued until 4:10 a.m. Vice-President Victor Martinez, president of the Senate, had to give the tie-breaking vote on Articles 2 and 3, which were deadlocked at 22-all after MPN senator Elias Sapag left the floor.

DECREE OUTLINES CHIEF OF JOINT STAFF POWERS

PY261444 Buenos Aires TELAM in Spanish 0141 GMT 24 Sep 85

[Text] Buenos Aires, 24 Sep (TELAM) -- The Armed Forces Joint General Staff can now order investigations in the military field, request the trial of military personnel by court-martial, and resort to any other powers which, because of their nature, are necessary for normal and permanent development. This was announced today by the executive branch through Decree No 1845, which states that according to Article No 86 of the Constitution, the executive branch is entitled to make this decision.

The decree states that the chief of the Armed Forces joint staff has the power to file and control lawsuits and to authorize all other proceedings in compliance with decrees 411-80 and 969-81. He will also be able impose administrative and contractual penalties according to what is established in clause No 126 of Article No 61 of the accounting law (Decree 5720-72).

The decree grants the chief of the joint staff the power to reach agreements with other state authorities for the fulfillment of their functions and missions and to hire and fire policemen under his jurisdiction, with the exception of the superior police officers. The chief of the joint staff may order the opening of investigations of matters concerning the Armed Forces joint staff in compliance with Article No 177 of the military code (Law No 14,029) and its amendments. In this regard the decree says the chiefs of staff of the Armed Forces, at the request of the chief of the Armed Forces joint staff, will assign the respective cases to a judge advocate under their jurisdiction. The joint staff may also request the chief of the Armed Forces staff to court-martial personnel under its jurisdiction (Decree Law 204-63 and Law 18276, which was amended by Law 20360) in the cases where it is required. Decree 1845 states that military personnel of the Armed Forces joint staff will exercise disciplinary measures in compliance with Annexes 1 and 2 of the decree, which specify the sanctions that may be imposed on military officers, noncommissioned officers, and troops.

ARMED FORCES REORGANIZATION PLAN CRITICIZED

PY012359 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1830 GMT 29 Sep 85

[By Carlos Fernandez]

[Text] Buenos Aires, 29 Sep (NA) -- On 3 or 4 October, General Hector Rios Erenu, Army chief of staff, will decide the first steps to be taken for the reorganization of the Army.

This issue seems to have touched the feelings of some sectors that claim, according to what has been revealed, that projects that are being carried out "will reportedly damage the internal balance." This concern, which seems to be linked to the cavalry and artillery, was quickly clarified by its originators who said, "in no way do we oppose" the reorganization proposed by the government, but rather they seek to bring about further technical talks, "taking into account the major importance of the proposed changes."

The Commission for the Evaluation and Functioning of the Army's Organization [Comision de Evaluacion y Funcionamiento de la Organica del Ejercito -- CEFOE], headed by General Flores, chief of the operations staff, was in charge of preparing the plans for reorganizing the Army. A good part of the burden has been put on Colonel Heriberto Justo Auel, who while on the joint staff under Lieutenant General Julio Fernandez Torres, was entrusted with studying the changes within the Armed Forces, taking into account the need for planning and the needs of the different branches."

CEFOE's work is in its final stages because it must be submitted to the staff on 30 September. Until just a few hours ago, the commission was receiving studies prepared by the branches individually. Not all of these studies agree with the content of the assessment of the reorganization. The evaluation of CEFOE's proposal, which has come to the attention of Rios Erenu, states that the Army must give up its traditional structure based on individual branches, and implement another structure more in keeping with modern war technology.

Specifically, CEFOE will reportedly propose the replacement of the existing branches (cavalry, infantry, artillery, engineers, and communications) with others like rocketry or armored, in which interservice merging will prevail to comply with new technology. Within the Army, it is believed that this implies dissolving the schools of each of the branches and setting up others, and creating new "inspections" to supervise each of the sectors. At this moment, each branch has its own "inspection." Should these proposals be accepted, it could happen that in the armored sector, for example, according to military sources, "the top authority will be an officer from the infantry, because this branch, along with the cavalry, will no longer exist. This does not fully please the latter.

This reorganization proposal is criticized because it "implies the loss of esprit de corps in the branches." There are some internal sectors, however, which have requested "further discussions on the issue before adopting a final decision." These sectors, linked to the cavalry and artillery, believe there is enough time to conduct these talks because "the first part of the timetable for the reorganization of the Armed Forces approved by the government contemplates for the near future a rearrangement [redimensionamiento]," something that "can be achieved without changing the Army's organization." The "internal policy" argument raised by these officers claims that under the reorganization, "as proposed by CEFOE and without the necessary discussion, one of the branches could have supremacy over another, a situation which not long ago caused some friction." One officer who proposes a longer period for the adoption of decisions has explained that "we all agree with the reorganization, but the fact is that we want to make known our opinions on the issue."

Those who propose ending division into branches insist that "the Army's modernization must be carried out in accordance with technological development, appropriate needs, and the solution of issues which by their importance seek to prevent the changes." Moreover, high-ranking Army sources have stated that the meeting to be held next week between Rios Erenu and the other generals will not seek to make final decisions but to approve a reorganization timetable and the briefing of commands on the course of action being studied." In October, Rios Erenu will have to outline to Defense Minister Roque Carranza the profiles of the Army reorganization, and he will have to take specific data.

FURTHER ON GOVERNMENT-COB LABOR CONFLICT

Negotiations Begin

PY020230 Madrid EFE in Spanish 2228 GMT 1 Oct 85

[By Amanda Davila]

[Excerpts] La Paz, 1 Oct (EFE) -- The government and the Bolivian Labor Federation (COB) have begun talks seeking to overcome the 27-day-old labor conflict that has halted mining activities and prompted a hunger strike by 8,000 Bolivians. The talks are being mediated by the church, which has insisted on holding talks to pacify the country and avoid confrontations of unforeseeable consequences.

Simon Reyes, the liaison secretary of the Trade Unions Federation of Bolivian Mineworkers (FSTMB), who is also participating in the talks, has reported that the meetings to establish the basic conditions for holding the talks began last night and will resume today at 1600. Reyes said the first meeting served to lay the foundations for holding the talks and expressed his hope that such an effort will be successful.

Nevertheless, the government is intransigent concerning its decision to maintain the state of siege in the country. The state of siege was declared on 19 September to curb popular protest after the implementation of severe economic measures freezing wages, which increased the cost of living. Interior Minister Fernando Barthelemy today said the government will not lift the state of siege because there are no objective conditions for doing so.

Army Commander in Chief General Raul Lopez Leyton said yesterday that the Armed Forces agree with the enforcement of a peaceful atmosphere to nullify the efforts of professional agitators who seek to wreak havoc and anarchy.

An Amnesty International delegation, which arrived in La Paz to observe the labor conflict, has criticized the government of President Victor Paz Estenssoro for implementing a state of siege, charging that human rights have been violated under this state of siege.

Nevertheless, the government is producing new arguments for the public. Defense Minister Fernando Valle today revealed that the state intelligence agencies and the Armed Forces are investigating the possible appearance of armed groups in Tarija Department, southern Bolivia. This revelation has made political leaders fear that the government is preparing another repressive buildup in the country by alleging presumed guerrilla centers. According to political observers, added to this fear are threats voiced by Interior Minister Fernando Barthelemy to strictly enforce the law against those holding hunger strikes.

COB leader Angel Zaballa today said trade union, political, and church sectors are demanding a solution through the holding of talks, before the state of siege is legally approved, in order to prevent clashes between the workers and the police forces, which could have unforeseeable consequences.

60 Banished Leaders Released

PY020049 Madrid EFE in Spanish 2325 GMT 1 Oct 85

[Excerpts] La Paz, 1 Oct (EFE) -- Official sources told EFE today that the Bolivian Government has released approximately 60 labor union leaders of the group that was banished to jungle areas on 19 September.

One of the flights that brought some of these leaders back to La Paz from the tropical part of the country arrived around 1700 this afternoon (2100 GMT) and another flight is expected later. The released union leaders will make brief statements at the Interior Ministry today, but most union leaders, including Juan Lechin Oquendo and the Bolivian Labor Federation Executive Board will remain in the jungle region.

Curfew Denied

PY011325 La Paz Cadena Panamericana in Spanish 1130 GMT 1 Oct 85

[Text] Interior Minister Fernando Barthelemy asserted and insisted that the supreme decree declaring the state of siege does not include a curfew. The only thing we are doing is initiating a control from midnight to six in the morning in order to prevent agitators who might be engaged in terrorist acts from frightening the population, he said. When consulted about the presence of armed groups, possibly leftist foreigners, in some regions of Tarija Department, the interior minister said that some reports on the subject have been submitted to the appropriate ministry and to the Armed Forces command. He added that all data are being analyzed and investigated by the intelligence service.

Students Join Hunger Strike

PY011811 Paris AFP in Spanish 0105 GMT 1 Oct 85

[Text] La Paz, 30 Sep (AFP) -- According to reports issued by Bolivian Labor Federation (COB) leaders who are underground, about 100 university students in Sucre, the historic capital of Bolivia located southeast of La Paz, today joined the national hunger strike called by the COB. Edgardo Vasquez, who heads the COB in the absence of banished COB Executive Secretary Juan Lechin Oquendo, said that despite the fact that there are almost 80 desertions a day, the hunger strike in which almost 7,000 people are taking part is gaining support daily. Vasquez, the COB press secretary, added that he himself is holding a hunger strike somewhere in La Paz.

Interior Minister Fernando Barthelemy noted that holding hunger strikes is a crime as serious as attempted suicide and that therefore the government reserves the right to undertake legal proceedings against the promoters of the strike and those who are taking part. It was also noted that 11 days ago about 177 persons were banished to the Bolivian Amazon region for starting the fast.

DIPLOMATIC NOTES SIGNED WITH BRAZIL

PY301615 La Paz PRESENCIA in Spanish 23 Sep 85 p 6

[Text] The Bolivian Foreign Ministry has reported that the Bolivian and Brazilian Governments have exchanged notes on the Brazilian decision that it will no longer collect from Bolivia the 3-percent port maintenance tax. The signing of the notes took place at the Brazilian Foreign Ministry. Brazil was represented by Foreign Minister Olavo Setubal, while Bolivia was represented by Ambassador Tomas Guillermo Elio.

The 3-percent port maintenance tax, which Brazil will cease to collect from Bolivia, is used to improve Brazilian ports. The official communique says that the exemption of Bolivia is in keeping with the spirit of the free transit agreements in force between the two countries and that it reflects the ties of friendship and cooperation that unite Bolivia and Brazil. The exemption of this tax will prevent an increase in the transportation costs of Bolivian cargoes passing through Brazilian ports on the Atlantic.

FOREIGN MINISTER DEL VALLE ADDRESSES UNGA

PY012121 Santiago Domestic Service in Spanish 1730 GMT 1 Oct 85

[Text] The treaty signed with Argentina, the arms race, the economic crisis, and the danger posed by terrorism are some of the issues Chilean Foreign Minister Jaime del Valle touched on as he addressed the UN General Assembly this morning.

Concerning the peace and friendship treaty signed with Argentina, the minister stressed the Chilean Government's full support for the peaceful settlement of international disputes.

[Begin Del Valle recording] This treaty takes into account four essential topics: the solution of the dispute, the decision not to resort to force, the implementation of a compulsory arbitration mechanism to solve any controversy that might arise in the future, and the formulation of a cooperation agreement aimed at promoting broad integration between the two countries. [end recording]

Del Valle pointed to our government's strict compliance with the nonintervention principle, charging that Chile's internal affairs have been frequently interfered with. Countries that are not aware of the situation in Chile are always ready to criticize our actions, he said. Del Valle added that Chile is the target of an internationally orchestrated disinformation campaign that seeks to impair our image in the eyes of the world. This is one of the subtle methods of intervention, he charged.

Del Valle also stressed that the international cooperation system is going through a crisis.

[Begin recording] This assembly is being held during a period of sharp economic crisis, which is affecting the majority of countries, particularly developing nations whose prospects of achieving progress have shrunk dramatically under the burden of political and socioeconomic conflicts of unpredictable consequences. [end recording]

In this regard, the minister said the most serious aspect of the crisis is the sharp imbalance in the world's economic adjustment process.

The Chilean foreign minister also charged that terrorist actions cause death and irrational violence.

Del Valle paid particular attention to war-torn Lebanon. He voiced our government's rejection and strong condemnation of the Soviet invasion of Afghanistan and Cambodia. Del Valle also voiced our government's support for Korea's internal negotiations, which seek to settle a dispute that has lasted for many years. The minister expressed Chilean concern over South Africa's reluctance to let the Namibian people gain their independence through peaceful means.

[Begin recording] We are concerned that the continuation of the apartheid system, which has been repeatedly condemned by the international community, may plunge the southern Africa region into a serious confrontation, thus giving rise to a new center of international tension. There is still time to agree on a peacefully negotiated solution to this critical situation, before it goes out of control. [end recording]

Del Valle also expressed the Chilean Government's support for the Contadora Group efforts in search of a peaceful solution to the Central American crisis.

Concerning terrorism, the foreign minister stressed our government's support for the efforts aimed at finding an overall solution to this social evil through the formulation of clear laws punishing terrorist actions, no matter where they take place or who is involved. All states must commit themselves to guaranteeing, at the international level, the security of people and their property, he said. Terrorist actions must be considered as crimes against humanity, and court action should not be hindered under any pretext whatsoever, the minister remarked.

After reiterating Chilean support for the initiatives to curb the arms race, Foreign Minister Del Valle said:

[Begin recording] We are concerned to see that, once again, no progress has been made toward disarmament, and that the arms race has been accelerated again, particularly in the nuclear area. It is clear that multilateral negotiations and the dialogue between the two superpowers face serious difficulties. It is also clear that our juridical instruments have proven unable to discourage this growing threat hanging over our peoples. [end recording]

Del Valle stressed the Chilean devotion to peace, remarking that some weeks ago President Augusto Pinochet welcomed a call by Peruvian President Alan Garcia, who asked South American nations to stop buying advanced military equipment.

Minister Jaime del Valle ended his address by conveying a special message from President Augusto Pinochet:

[Begin recording] Chile would like to reiterate that it remains faithful to the commitment it assumed in 1945 as a signatory of the San Francisco Charter, that it has confidence in the principles and objectives of this organization, and that it is willing to cooperate with those states which want to work under the slogan "the United Nations for a better world." [end recording]

UN OBSERVER TO VIEW HUMAN RIGHTS SITUATION

PY020044 Paris AFP in Spanish 0226 GMT 1 Oct 85

[Excerpt] Santiago, 30 Sep (AFP) -- Sources at the Chilean Foreign Ministry today confirmed that the military government will allow a special UN observer to investigate the human rights situation in Chile.

This was announced by Foreign Minister Jaime del Valle at the United Nations, which has appointed Fernando Volio Jimenez, former Costa Rican foreign minister during 1982 and 1983, as the observer.

Foreign Ministry spokesmen have stated that the Pinochet government's change in attitude is due to the objectivity shown by Volio Jimenez, who can judge the Chilean situation in a calm manner. The sources added that they are willing to cooperate with whoever promises an objective approach and to acknowledge the progress made.

Jaime Castillo, president of the Chilean Human Rights Commission, has commented that the authorization announced in New York by Foreign Minister Del Valle is a very positive measure. He added that the inspection should never have been rejected, since a country that is in a position to be examined by the United Nations regarding human rights -- by moral and judicial obligation -- should cooperate. The Christian Democratic lawyer termed as arbitrary and inadequate the Pinochet government's previous rejection of an observer. Castillo said this change of attitude of the Chilean Government implies acknowledgement of the duties of the special observer.

OPPOSITION SCORES EFFORTS TO BREAK ACCORD

PY281456 [Editorial Report] Santiago Radio Chilena in Spanish carries in its 1700 GMT newscast on 27 September a report on the reaction of Chilean opposition political and union leaders to the government's actions to counteract the National Accord proposal sponsored by the Catholic Church.

Some political leaders said the warrants for the arrest of 97 leaders of social organizations are actions against the National Accord aimed at confusing and dividing the leaders. The different political sectors are closely following the government's hunt for leaders of labor unions and social organizations unleashed in the last few hours.

Carlos (Fourche) of the Christian left denounced the government's concerted actions to divide the National Accord. He said: "We believe the government is trying to weaken the accord's real possibility of quickly generating a process in support of a political solution to the national crisis."

Carmen Saenz, president of the National Party, preferred "not to see any motive in the actions of the Interior Ministry." She added, however, that "the union leaders are in the hands of Supreme Court President Retamal, who represents for all Chileans the absolute independence of Chilean justice." Carmen Saenz recognized that "there are pressures against the National Accord from people linked to the government because they do not want reconciliation."

Jaime Castillo Velasco, president of the Chilean Human rights Commission and activist of the Christian Democratic Party, said "this type of action, which seems to be based on existing legislation, has political connotations because it aims to prevent the progress of the accord toward democracy in the country." In view of the government's offensive against reconciliation efforts, Jaime Castillo said that "the affected social sectors will react against it."

Luis Bossay, a former congressman, said that "the arrest warrants issued by the Interior Ministry are aimed at isolating the leaders of the National Accord and provoking a violent reaction to prevent the accord from reaching its goal: reconciliation and the return of democracy."

Rene Abeliuk, president of Social Democracy and member of the Democratic Alliance who is actively working for the application and development of the National Accord, said: "The government is seeking several objectives with the persecution of union and student leaders. The first objective is to have the court do the dirty work. The government wants to give the impression that the court is enforcing the law but it should be kept in mind that the courts investigate the so-called violations of the state internal security law only at the request of the executive branch and never on their own because it is the government that carries out persecution through the courts."

Abeliuk added: "I believe the courts are making a mistake because the regulations intended to punish the protests and the resulting violence are absolutely unconstitutional and illegal. They are also a monstrosity." He went on to say that "this government is trying to destroy the National Accord by all possible means, one of which is by persecuting political leaders to get them to react so that it will be impossible to follow the line of conciliation, negotiation, and dialogue in order to come out of the crisis." Abeliuk also said the government wants a confrontation because it is the only thing the government knows how to handle. He added that "the government is trying to create the image that there is no such accord" but he insisted that "the accord is so serious that it has isolated the government." Abeliuk added that "nothing will stop the National Accord."

CARABINEROS RELEASE 36 ARRESTED IN DISORDERS

PY020053 Santiago Domestic Service in Spanish 1730 GMT 1 Oct 85

[Text] The Carabineros have released 36 people who were arrested for participating in disorders. This information was issued by police sources, who noted that 28 men and 8 women were released. The men were being held at the Carabineros 1st Precinct building, and the women were held at the San Cristobal Carabineros station. All were arrested for participating in disorders on 24 and 25 September. Since no charges were filed against them, they were released 5 days after their arrest, in keeping with the law. It was also noted that among those released are some of the agitators who tried to occupy a university building.

PINOCHET PRAISES ARMED FORCES IN INTERVIEW

PY231930 Santiago Domestic Service in Spanish 1100 GMT 23 Sep 85

[Text] General Augusto Pinochet has asserted that the Armed Forces' great achievement was to free Chile from a collectivization process that sought to turn the country into the South American Cuba. For this reason, he added, the Armed Forces deserve their fellow countrymen's full respect and can look them straight in the eye.

The chief of state made these comments during an interview that was published in the Sunday supplement of a Santiago newspaper. The president said that if Chileans can now discuss democracy and freedom, and if political groups can follow various lines of action, it is because Chile is a free country that is building a democratic institutional system.

Pinochet went on to say that as far as he knew, neither the Cubans, the Nicaraguans, the Afghans, nor any people that have fallen under communist domination are currently experiencing an institutional process that clearly and objectively seeks to establish a true democracy. He said that this is the unquestionable achievement of the armed and security forces and it is acknowledged by the great majority of our people, regardless of their doctrines and ideologies.

Pinochet said that we interpreted 11 September 1973 as the desire of our fellow countrymen, which no group or political party had done before. The president said that throughout his 12 years in government he had received categorical proof of support and confidence.

President Pinochet said that right from the beginning his government implemented changes so that individual freedom would be a fact in Chile. He noted that the second phase was the modernization phase, during which freedom in the social and cultural fields was broadened. Now, he said, we are engaged in the third phase, which entails drawing up laws that will implement the terms of the 1980 Constitution, which has extended my term in office until 1989.

BRIEFS

NEW CONCILIATION COMMITTEE MEMBER -- Santiago, 7 Sep (TELAM) -- The Chilean Government has appointed Santiago Benadava, former member of the Chilean Papal Mediation Commission, to the Conciliation Committee established by the Chilean-Argentine Peace and Friendship Treaty. [Summary] [Buenos Aires TELAM in Spanish 2249 GMT 7 Sep 85 PY]

FENATRADECO ELECTS EXECUTIVE BOARD -- The National Federation of Commercial Workers -- Fenatradeco -- has elected the members of its new executive board. They are: Edmundo Lillo, president; Luis More, secretary general; Carlos Ordenes, treasurer; Bernardo Fuentes, first vice president; Gabriel Segovia, second vice president; Carlos Vargas, alternate treasurer; Arturo Farias, organization secretary; Graciela Farias, director; Carlos Cepeda, director. [Summary] [Santiago LA TERCERA DE LA HORA in Spanish 11 Sep 85 p 10 PY]

RAMIREZ ON PANAMA EVENTS, EFFECT ON CONTADORA

PA301915 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 30 Sep 85

[Text] Bogota -- Colombian Foreign Minister Augusto Ramirez Ocampo has stated that the change of government in Panama, permanent seat of the Contadora Group, will not significantly change the nature of that country's participation in the group's mediation efforts in Central America.

The minister, who several hours ago returned from the United Nations where he attended the opening session of the 40th UN General Assembly, said that the Contadora Group is at the threshold of a final agreement for signing the peace document that has received support from all the world's nations. He said that despite the criticism of former President Alfonso Lopez Michelsen, the Contadora Group continues to be an active peace mechanism for the five Central American countries.

59 KILLED IN RECENT REBEL, ARMY CLASHES

PA301922 Bogota Television Service in Spanish 0100 GMT 29 Sep 85

[Report by Raul Benoit in Cali]

[Text] Fifty-nine people have died in 10 days of fighting between the Army and the M-19 [19 April Movement], Ricardo Franco Front, and Alfaro Lives group of Ecuador near Florida and Sevilla in Valle del Cauca. The dead include nine soldiers. The other casualties were apparently guerrillas although there are reports that several were peasants caught in the violence.

Calm has returned to the mountains of Florida, and the peasants have gone back to their parcels of land. More than 200 families were evacuated prior to the bombings, and at this time approximately 1,000 peasants are returning to their land. Although the battles have ended, the Army is preventing the movement of the press.

The M-19 columns led by Carlos Pizarro and Alvaro Fayad remain in the area supported by Libardo Parra, known as Oscar, and by Boris [M-19 leader Gustavo Arias Londono], who evaded the Sevilla encirclement. The urban clashes in Cali have become more common. In the past 2 weeks, there were six clashes in the streets of (Siloe) and Agua Blanca, leaving 5 dead and 10 wounded M-19 militiamen, policemen, and civilians.

PARTIES, TRADE UNIONS SEEK SOCIAL ACCORD

PY280043 Madrid EFE in Spanish 0228 GMT 27 Sep 85

[Text] Montevideo, 26 Sep (EFE) -- Representatives from Uruguayan political parties and trade and business unions in Uruguay today committed themselves to achieve a social accord and to create a provisional mechanism to prevent strikes and stoppages. Next week, following this preliminary accord, the government will formally call all the interested parties for negotiations.

The announcements were made tonight by representatives from various sectors upon the conclusion of a meeting chaired by Jorge Batlle Ibanez, the acting Senate president and Colorado Party leader.

Miguel Cecilio, a delegate for the National (Blanco) Party, the main opposition party, told EFE that for the first time all the parties involved agreed on the need to work until a social accord is reached. Cecilio added that they agreed to discuss public and private salaries, retirement, domestic indebtedness, and economic reactivation.

Broad Front Senator Jaime Perez, the PCU [Communist Party of Uruguay] assistant secretary [prosecretario], reported that next week the executive branch will formally issue a call for social talks. Perez added that the Broad Front has placed emphasis on the search for immediate solutions to the domestic indebtedness, especially that of the small and medium-size producers. Perez also said that, within the accord, the Broad Front will first try to reactivate the domestic market so that the export activities prompted by the government can be conducted afterward.

For his part, Senator Jorge Batlle termed the meeting as very positive. In addition, Batlle explained that the representatives of the National Convention of Workers (CNT), the leading trade union organization, and those of the Chamber of Industry and the Chamber of Commerce agreed to begin negotiations between the two parties to set up a mechanism to prevent conflicts.

Since democracy was restored on 1 March, union conflicts in Uruguay have increased and the government has faced 360 strikes and stoppages. A month ago -- a week before the scheduled talk aimed at reaching a social accord were to begin -- the government decided to suspend them because of the ongoing strikes implemented by the state workers.

Batlle now said that the social talks will focus on concrete issues concerning salaries, both in the public and private sector, within the program of yearly growth of the gross domestic product projected by the government. The Colorado leader added that the task of reconstructing the country will take more than a day and that everyone's efforts will be needed to reach the goals.

RAILWAY WORKERS MEET, LIFT 6-WEEK STRIKE

PY270002 Madrid EFE in Spanish 0008 GMT 26 Sep 85

[Text] Montevideo, 25 Sep (EFE) -- The railway workers strike that paralyzed the Uruguayan railroads for 6 weeks ended today after workers held a meeting and decided to return to work. The labor representatives accepted the proposals of the state railway company management who offered a salary increase for less than that demanded by the workers during the strike. The company will offer the workers a bonus for years of service of 1 percent of the minimum salary (which is 7,000 pesos or \$70), retroactive to 1 July. The days not worked will be discounted in installments during the next 5 months.

The railway workers conflict, which was considered a political one by the government, prompted the general labor confederation of Uruguay to call a general solidarity strike last week. The call was partially followed.

LUSINCHI COMMENTS ON ARDITO BARLETTA RESIGNATION

PA302012 Madrid EFE in Spanish 0001 GMT 29 Sep 85

[Excerpt] Caracas, 28 Sep (EFE) -- The Venezuelan president termed the resignation of Panamanian President Nicolas Ardito Barletta deeply regrettable and negative, according to an official Venezuelan VENPRES agency report released today.

Lusinchi, who is in New York preparing his speech for the UN General Assembly session on 30 September, met with Ardito Barletta last Thursday night and accepted an invitation from the outgoing president to visit Panama.

According to the VENPRES report, the Venezuelan president said: I do not know whether we will have to change the name of Contadora, commenting on reports that his Panamanian counterpart had been forced to resign.

He indicated that Ardito Barletta's resignation is the consequence of a problem that had been dragging on for many months and, unfortunately, resulted in a crisis.

After noting that he did not want to anticipate views on the new Panamanian situation the details of which he was not acquainted with, the Venezuelan chief of state described the situation as deeply regrettable and negative.

HERNANDEZ GRISANTI ON 3 OCT OPEC MEETING

PA272146 Paris AFP in Spanish 1804 GMT 26 Sep 85

[Text] Caracas, 25 Sep (AFP) -- Venezuelan Energy and Mines Minister Arturo Hernandez Grisanti today warned that if OPEC does not reach unanimous agreements for a common front in their next meeting, they will have problems defending their position to the industrialized world.

Regarding Saudi Arabia's decision to increase its production and sell part of its crude oil at spot [preceding word in English] or occasional market price levels, Hernandez said that there has not yet been a "significant" impact on oil prices.

"It is necessary to study the market during the next few months and see how the situation evolves," he added. Hernandez said that Venezuela's position at the 3 October OPEC meeting will depend on the other members' positions.

"One can reach agreements which imply modifications to the positions which are normally maintained there, while still maintaining one's principles," he said, although he admitted that it is "quite difficult" now for OPEC to find a point of agreement and balance among its members.

Views OPEC Prices

PA281935 Caracas Television Service in Spanish 0000 GMT 27 Sep 85

[Text] During the morning, the members of the advisory committee for international oil policy met with Energy and Mines Minister Arturo Hernandez Grisanti. During the meeting, they discussed Venezuela's position to be presented at the OPEC special meeting scheduled for 3 October in Vienna. The meeting will be attended by a seven-member Venezuelan delegation headed by Deputy Energy and Mines Minister Hernan Anzola. The only point on the meeting's agenda is the request by some member countries to increase their production quotas.

According to official announcements, the Venezuelan mission will try to make the parties reach an agreement, although they are aware of the difficult situation because Saudi Arabia's irregular practices violate the OPEC decisions and deteriorate the market.

Nevertheless, the minister reiterated that formulas will be sought to guarantee the organization's stability and the common interest.

[Begin Hernandez recording] Venezuela could suggest -- and we might -- the formation of a highly technological team in the organization to study the prices that the OPEC will apply in the future. Violations have been numerous. Saudi Arabia's decision has so severely breached the official price structure that it does not exist in fact, although it exists formally and legally. [end recording]

In addition, and regarding the letter of intent that Venezuelan representatives signed yesterday on the contract to lease the Curacao refinery, Hernandez said he hopes the Netherlands Antilles Government can get financial support from the Netherlands to repair the electricity desalination plant as set forth in the contract. He also stressed that in order to lease the refinery, our country considered its ties with the Netherlands Antilles, both historical and political. Regarding commercial benefits, he indicated that time will reveal the results. The leasing contract includes a deep-water terminal that, according to the minister, will benefit Venezuela's oil market.

[Begin Hernandez recording] We can make a portion of our sales to Curacao. This will reduce freight and other costs for our customers and, consequently, Venezuelan oil will be more competitive and our oil markets will be ensured. [end recording]

The contract lasts 5 years and could be renewed for two additional years if the two sides consider it necessary.

DEBT SERVICE PAYMENT POSTPONED FOR 6 MONTHS

FL012141 Mexico City NOTIMEX in Spanish 2115 GMT 1 Oct 85

[Text] Mexico City, 1 Oct (NOTIMEX) -- Mexico's Secretariat of Finance and Public Credit today reported that Mexico will postpone for a period of 180 days payment of \$950 million due by 5 October for services to its foreign debt. The decision is a result of a series of meetings Finance Secretary Jesus Silva Herzog held with representatives of world banks and U.S. Government officials in Washington and New York.

COOPERATION AGREEMENT WITH ALGERIA SIGNED

FL281418 Mexico City NOTIMEX in Spanish 2355 GMT 27 Sep 85

[Text] Mexico City, 27 Sep (NOTIMEX) -- The Mexican-Algerian joint intergovernmental commission has signed an agreement today for economic, commercial, scientific, technical, and technological cooperation between the two countries, the Mexican Secretariat of Foreign Affairs has announced.

The cooperation agreement, which was agreed upon last May during Algerian President Chadli Bendjedid's visit to Mexico, was signed by Mexican Under Secretary of Foreign Relations Alfonso de Rosenzweig-Diaz and Algerian Ambassador Plenipotentiary to Mexico Nur ad-Din Yazid Zerhoumi.

Algerian President Chadli Bendjedid and Mexican President Miguel de la Madrid agreed in their conversations here that the bilateral economic cooperation between the two countries did not correspond to the possibilities of their economies. The two presidents ordered the creation of the abovementioned bilateral negotiating commission, the first meeting of which will be held soon.

BRIEFS

SALVADORAN AMBASSADOR APPOINTED -- After 5 years of diplomatic absence, Salvadoran President Napoleon Duarte today appointed Sigfrido Munes as new ambassador to Mexico, it has been officially reported. The Salvadoran Government announced the ambassador's appointment, after Mexican President Miguel de la Madrid announced in August that Javier Urruchua would head Mexico's Embassy in El Salvador. [Excerpt] [Mexico City NOTIMEX in Spanish 0255 GMT 27 Sep FL]

PRD SENDS COMMUNIQUE TO NEW GOVERNMENT

PA010152 Panama City MATUTINO in Spanish 30 Sep 85 p 7 B

[Communique to the Panamanian People from the Democratic Revolutionary Party [PRD]

[Text] Sixteen years ago, the Panamanian people began a profound democratization process under the revolutionary movement headed by General Omar Torrijos Herrera. Through constant consultations and the effective participation of all the social and geographical sectors of our homeland, this process incorporated the great national majorities to struggle for economic independence, social justice, and national sovereignty, which up to that time had been deferred and subordinated due to the spiteful neglect of some sectors, or by the tolerance shown toward foreign intervention by others.

The close unity between those historical objectives and the democratic method that made it possible to carry them forward became the most relevant characteristic of the national project promoted by the Panamanian revolutionary process.

Since 11 October 1984, this method and these achievements have been tested in a new phase: partisan democracy. The PRD was entrusted the basic political responsibility of guiding the people and government along this new path, under the leadership of Nicolas Ardito Barletta, who was made responsible for the complex tasks of achieving national unity and for implementing an adequate economic and administrative management necessary to strengthen our democracy and overcome the economic crisis.

Ardito Barletta, however, tried to tackle the grave national problems through technocratic methods. He dealt with these problems in an incorrect political way. This led to reforms aimed at establishing an economic model against the will of the country's large productive and labor sectors. This model tried to ignore the workers' acquired rights and withdraw the protection for the national industry, thus submitting it to the unfair competition of the international market and national economic and social sectors. Nevertheless, those sectors' appeals were not understood. Instead, the executive branch tried to apply measures without any prior consultation against our values and nationalist, democratic, and revolutionary tradition.

In view of this, our party again and again held talks with the government. Our party offered the government its support and counsel again and again so that the government could overcome its political mistakes. Particularly, the PRD did its best to lead the government to a broad national dialogue, where the government could initiate a broad, sincere relationship with the thought and the reality of all the country sectors. Such efforts -- and, particularly, the latest -- were thwarted by Ardito Barletta's stubbornness. Ardito Barletta persisted in his technocratic concepts and his economic model and considered them to be the only ones valid to solve the country's problems. Although he agreed to make some adjustments to his model, the latter continued to be far from meeting the national expectations.

As a result of this, Ardito Barletta is chiefly responsible for the severe crisis characterized by the mistrust in, disbelief in, and even resentment of all the country's social and economic sectors. In turn, this crisis opened the way for activities aimed at destroying the fundamental institutions of our democratization process.

In the presence of this untenable situation, the PRD consulted all its party members and those from the other member-parties of the UNADE [Democratic National Unity] with the purpose of finding a nationalist solution for the crisis. At the same time, this solution would continue to guarantee the strengthening of the democratic institutions and the climate of peace and concord required by a genuine popular participation and national unity. Because it was impossible to reach an agreement with Ardito Barletta on these matters, he decided to resign.

The climate of peace for which the PRD has been working constitutes a sine qua non condition to guarantee the broadest understanding and cooperation among all Panamanian sectors. This understanding and cooperation is mandatory under the current circumstances. This unity must spring from a consensus to tackle the necessary tasks in order to face the economic crisis without sacrificing our aspirations for national development, and which will meet our people's needs and deepest aspirations.

Consequently, the PRD demands from the new government an earnest political commitment for which the PRD will struggle firmly.

This commitment will be characterized by the following:

1. Popular and patriotic measures will be adopted through the reestablishment of the Torrijos' method of consultation and consensus with all social sectors. In this way, a national agreement would be reached to implement the development projects required by the country. The government will have to strictly respect and abide by the agreements reached with the various Panamanian social sectors.

2. The national government will respect the workers' rights guaranteed by the Labor Code. The government will respect the legislation that protects both the national industry and the Panamanian agricultural and livestock producers.

If, for any reason, amendments or additions to the legal instruments that protect these sectors are deemed necessary, these amendments must be based on a broad consultation with the sectors affected, taking these sectors' recommendations into consideration.

3. The national government will respect and guarantee the public employees' legitimate rights to stability, as well as their civic freedom, just as our party has been consistently proposing. The PRD will continue to struggle for this.

4. The problems related to servicing the foreign debt will be handled keeping clearly in mind the defense of our sovereignty and national development, the protection of the people's interest, and the support for Panamanian producers.

5. We demand that the news media responsibly fulfill their duties to be objective in the dissemination of information. We demand pluralism and access to all currents of opinion and that those who disrespect the dignity of persons, organizations, and institutions, as well as those who slander and manipulate information for destabilizing ends, be severely punished by law.

6. All the other pro-Torrijos forces must be effectively incorporated into the national political life in the framework of a broad political pluralism that guarantees the free play of ideas. The development of the national project will be fostered, with the active participation of all the patriotic sectors of the Panamanian people.

7. Without compromises, we will defend the full validity of the democratic institutions and rights and the continuity and the acceleration of the democratization process within the principles set forth by Torrijos.

8. We demand the immediate recovery and strengthening of an independent foreign policy, that is a vigorous defender of national sovereignty and interest. This is why the national government must pay more careful, worthy, and demanding attention to the fulfillment of all aspects of the Torrijos-Carter treaties. In addition, the government must increase and strengthen its participation in the Contadora Group and Panama's role in the struggle for peace and cooperation in Central America.

The PRD hereby appeals to the Panamanian people at large and all the pro-Torrijos forces so they can meet together the challenge of building a prosperous, free, democratic, and peaceful nation. We are sure that all the large sectors of our people support and defend the national development project, its democratic methods and its strategic objectives outlined by Torrijos for the year 2,000. United around these objectives, today we resume the task of definitively laying the groundwork for tomorrow's homeland.

National Executive Committee, Democratic Revolutionary Party, Panama City,
28 September 1985

DEFENSE FORCES VOICE SUPPORT FOR DEL VALLE

PA020406 Panama City Televisora Nacional in Spanish 0000 GMT 2 Oct 85

[Text] General Manuel Antonio Noriega, commander in chief of the Defense Forces, accompanied by his general staff, visited President Eric del Valle last night in the Palace of the Herons [presidential palace]. During the cordial meeting, the men in uniform voiced their unrestricted support to the civilian government headed by President Eric Arturo del Valle. The ministers of state participated in the meeting.

PRESIDENT URGED TO CREATE SPADAFORA COMMISSION

PA300411 Panama City LA PRENSA in Spanish 29 Sep 85 p 1 A

[By Franklin Bosquez D'Giovanni]

[Text] Yesterday, Winston Spadafora, a lawyer who has been on a hunger strike for the past 5 days, asked President Eric Arturo del Valle to submit a bill to the Legislative Assembly on the appointment of a special investigating commission to find out those responsible for the death and beheading of guerrilla Dr Hugo Spadafora.

In a note sent to the new Panamanian president yesterday, Winston told him that on numerous occasions, the Spadafora family publicly asked former President Nicolas Ardito Barletta to exercise his right to legislate and to submit a bill asking for the appointment of an ad hoc commission to investigate "the heinous murder of our brother, Dr Hugo Spadafora Franco. "As everybody knows, these requests, which have become the clamor of the entire nation, were not answered," Winston said.

He added that the Government, Justice, and Constitutional Affairs Commission of the Legislative Assembly turned down two bills that were submitted on the appointment of an investigating commission. "The official wing of the Commission, said that the appointment of such a commission would be illegal. More than 100 prominent local lawyers have refuted that argument and they give assurances that the appointment of an investigating commission would be legal. The National Bar Association also supports this view."

In his note to the new president, Winston appealed to him as a man from the countryside, as a man "who hails from a sector of the country which has produced many distinguished men, men who have always maintained upright decisions, and because you are an honorable man, we reiterate our request which has the citizens' support," to have the Legislative Assembly appoint an investigating commission which will function under the jurisdiction of the Justice Department.

"Mr President, in all of our public and private appearances, we have stated that our only and exclusive interest is to find the material and intellectual authors of the vile crime," Winston said.

He also urged President Del Valle not to listen to those ominous voices which are saying that the Spadafora family has ulterior motives in asking for the appointment of the commission. That is why he disagrees with the statement of the new president at the Legislative Assembly after he was sworn in, in which he said, "We cannot disregard the Justice Department under the belief that if we take justice into our hands, we will be providing better justice."

Winston told Del Valle: "Others are dismissing and appointing the presidents in this country, not us."

"Mr President, on behalf of the Spadafora family, in these difficult moments the country is facing, we urge you listen to the people's clamor, to the people who are civilly supporting the request we are submitting in our note to you and for which I am on a hunger strike," Winston said in his note.

Noriega Rejects Commission Idea

PA271930 Panama City EXTRA in Spanish 27 Sep 85 p 1

[Text] General Manuel Antonio Noriega rejected outright upon his return to the country the creation of a special independent commission to investigate the murder of Dr Hugo Spadafora. Noriega told the press that he has confidence in the Attorney General's Office. Meanwhile, various Panamanian sectors maintain that that government institution enjoys no credibility.

Various interest groups, including the Panama Chamber of Commerce, the Panamanian Association of Business Executives, and teachers, doctors, and workers organizations, have endorsed the proposal to create a special commission to investigate the crime.

The family of the guerrilla fighter who was beheaded in Chiriqui Province last week has stressed that a special commission must be appointed in order to find out the truth about his death.

Runners of a coup against President Nicolas Ardito Barletta continued to circulate throughout the day yesterday. Ardito Barletta is currently in New York and is expected back in Panama tonight. Reports from Herrera Province indicate that civil disobedience actions continue in the provincial capital of Chitre to protest the killing of the Chitre-born Spadafora.

All of Chitre's commercial establishments will close their doors today at noon and reopen them on Monday, a move designed to apply pressure for the appointment of a special commission to investigate the killing. Street protests also continued there, amid a climate of tension, while city residents are demanding justice and asking that the special commission be appointed.

Yesterday, the Legislative Assembly's Justice Committee rejected the proposal presented before the full house for the appointment of a special commission to investigate the Hugo Spadafora case. The justice committee is virtually dominated by legislators of the UNADE [National Democratic Union, pro-government] coalition and is presided over by PRD [Democratic Revolutionary Party] legislator Jerry Wilson.

SPADAFORA REPORTEDLY PLANNED TO ACCUSE NORIEGA

PA011333 San Jose RUMBO CENTROAMERICANO in Spanish 26 Sep-2 Oct 85 p 14

["Special report"]

[Excerpt] The murder of Hugo Spadafora, former Panamanian deputy health minister, "was an act aimed at intimidating the civilian forces opposed to General Manuel Antonio Noriega's dictatorship."

Without hesitating, Alvin Weeden Gamboa, a Panamanian political leader and former secretary general of the Popular Action Party (PAPO) held the commander in chief of the Defense Forces of the Republic of Panama (FDP) responsible for the crime, which was perpetrated on 15 September.

Spadafora had mentioned Weeden, who is a lawyer, during one of his last public statements in Costa Rica. The guerrilla doctor told a Costa Rican radio station that, together with Weeden, he was compiling the necessary evidence to file charges against Noriega for his ties to drug trafficking and for abuse of power.

When asked about this, Weeden said that "he had agreed to meet Spadafora in Panama during the next few days for this purpose." He added: Spadafora was in the final stage of compiling the evidence.

Weeden said that Spadafora had asked him to be his lawyer in the suit against Noriega for his illegal actions. "It has been fully confirmed that during the past 15 years, from the time Gen Noriega was chief of the G-2, the FDP intelligence group, and directed the drug-trafficking control activities in Panama, hundreds were arrested for participating in this business and later released after paying off the authorities," Weeden stressed.

He also said that Spadafora had told him that Noriega had "direct links with anti-Sandinist leader Eden Pastora" which was one of the reasons why Spadafora had withdrawn from the Democratic Revolutionary Alliance (ARDE).

Weeden added that Spadafora had told him that Noriega "was in charge of supplying the southern front with the necessary military equipment, which he obtained from Israel, and was paid for its shipment and distribution."

COSTA RICARADIO CORRESPONDENT DENIED NICARAGUAN VISA

PA301226 San Jose Radio Impacto in Spanish 1830 GMT 27 Sep 85

[Text] Sandinist authorities in Managua have verbally canceled a visa that was granted by the Nicaraguan Consulate in Costa Rica to an Impacto correspondent to enter Nicaragua. A few days ago our colleague, Maria Travierzo, requested a visa for Nicaragua in response to an invitation from that country's Social Christian Party [PSC] to cover an event on Sunday. The Impacto correspondent was to be part of a delegation of Latin American guests traveling to Managua, including Aristides Calvani, secretary general of the Christian Democratic Association of America, and Venezuelan Senator Hilarion Cardozo.

The Nicaraguan Consulate granted the respective entry visa but hours later said by telephone that Travierzo required a special visa that had to be authorized by the Managua regime. Since this appeared strange, the Costa Rican diplomatic representation in Managua was consulted. Our consul in Managua, Ms Carmen (Rojas), asked for clarification and asserted to "Impacto News" [name of newscast] that Jose Leon Talavera, the Sandinist deputy foreign minister, told her that the visa had been canceled and that if the Impacto correspondent traveled to Nicaragua she would face serious problems.

Later, the PSC, which had invited Travierzo, again consulted the Sandinist Foreign Ministry, where the cancellation of the visa was confirmed. A threat was also made that if the correspondent traveled to Nicaragua, she would be arrested by the regime's authorities in Managua's [word indistinct] airport.

EL SALVADORREY PRENDES COMMENTS ON DUARTE KIDNAPPING

PA012033 San Salvador Radio Cadena YSU in Spanish 1800 GMT 30 Sep 85

[Text] Culture and Communications Minister Julio Adolfo Rey Prendes announced today that the negotiations involving the kidnapping of the daughter of [President Jose Napoleon] Duarte are stagnant. He said that the government is maintaining a position of silence in this regard so that the case is not hampered by media information, and for this reason it cannot be explained why the negotiations are stagnant. He said that the government has not said that the kidnappers want the release of political prisoners in exchange for the release of Ines Guadalupe Duarte Duran.

The latest contact with the kidnappers took place last Friday, and no other contact has occurred since then. Referring to the kidnappers, Rey Prendes said that the government has not said that the guerrillas are holding her. He said the following in this regard.

[Begin recording] We have only talked about the persons who have pointed to the people who have her. We have referred to questions from reporters and to expressions by the archbishop of [word indistinct] who says that there is no doubt that the FMLN guerrillas have her. We have completely discarded the idea that the kidnapping was carried out by the right. We have also discarded the idea that the kidnapping was carried out by a guerrilla dissident group such as the Clara Elizabeth Ramirez group. There have been reports, which have not necessarily resulted from communication with the kidnappers but from other sources, that have confirmed the fact that it is the FMLN who has kidnapped Ines Guadalupe and Cecilia [Villega].

A photo shows that just as has been reported and as the whole world knows, and even I have accepted this, the commando group that kidnapped her is known as the Pedro Pablo Castillo commando. According to reports from other sources, this group identifies itself as an FMLN commando unit. The fact that the FMLN general command has neither denied nor confirmed this indicates that they are responsible for the kidnapping. They have recently been distributing leaflets and placing posters in the Chalatenango area. We have some of those posters in which they speak of the Pedro Pablo Castillo Front as a special front of the political prisoners, and so forth, and identify it as a fifth FMLN front. [end recording]

He also said that the government is studying the possibility of releasing [Costa Rican citizen] Julio Romeo Talavera on a request from the Costa Rican Government but noted that this will be decided by the Legislative Assembly.

DEPUTY MINISTER ON GUERRILLAS, CHURCH POSITION

PA010050 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 30 Sep 85

[Interview with Roberto Edmundo Viera, culture and communications deputy minister, by Arnoldo Batres, Radio Cadena YSKL reporter, on 30 September in San Salvador -- recorded]

[Excerpt] [Batres] Mr Viera, at the opening of the Alternatives for Peace Forum, which was sponsored by the National Conciliation Party, PCN, at the Camino Real Hotel in San Salvador, we listened to Francisco Roberto Lima accuse Msgr Gregorio Rosas Chavez of attacking the government of President Duarte in a Sunday sermon, which according to Lima has many good points. What is your opinion of Lima's statement?

[Viera] Thanks, Mr Batres. In the first place, let me tell you that the government appreciates any efforts carried out on behalf of peace. The efforts made by the PCN are indeed appreciated. Now, about Mr Lima's statement concerning Msgr Rosas Chavez, my opinion is that the Catholic Church and its members are not necessarily acting for or against the government. The church and its representatives have a doctrine to follow in the search for truth which might seem at times favorable and at other times unfavorable to the government. I think that the church is trying to establish guidelines for the pastoral mission of its bishops in order to guide the members of the church. I truly believe that the church is trying to find what is best for the Salvadoran people. I cannot accuse Msgr Rosas Chavez of acting for or against the government. However, anyone can interpret the actions carried out by the church or for that matter any other organization, according to his own opinion. It is my opinion that the church is doing its duty of guiding the people according to its Christian mission.

[Batres] Mr Viera, several international news agencies have been reporting on the negotiations to obtain the release of the president's daughter and her friend Ana Cecilia Villega. Is it true that negotiations are being carried out by shortwave radio?

[Viera] As you know, the government's official spokesman in this particular case is Julio Adolfo Rey Prendes, culture and communications minister. He has told local and international news media that the government is not making any statements on this case and that when the time comes he will make an announcement; therefore, I cannot answer your question.

[Batres] Mr Viera, I respect your position. Now, I would like your opinion on a report from international news agencies in relation to a letter signed by the guerrillas asking the government to stop the arms race and saying that they will do the same in order to find a solution to the conflict.

[Viera] I do not know anything about the letter. However, the guerrillas are always treating the nation's problem, the conflict, as simply a military issue. That seems to be their only concern, yet our concern is social. We are trying to set up talks to arrive at a solution, through reasoning and political debate and not through the use of arms. I really think that what the guerrillas are trying to do at this point is to gain time. We just have to point to the number of kidnappings they have recently carried out in Chalatenango Department. It makes no sense, yet they do not give any explanation, they just do not care about anything. We learned that the mayor of San Simon was found 2 days ago thrown somewhere in a creek. The mayor is a very sick man. The least they could have done is to have handed him over to the International Red Cross if they were not going to give him medical attention and not just abandon him like they did. If he had died, they would have found a way to blame it on the authorities or to make it appear in a different light. I think what they did is a violation of human rights. The mayor was found by the Army and now they are fighting to save his life. We have not talked to him personally or to his family. But as I say, this only confirms once more that the guerrillas lack respect for people's lives.

GUATEMALA

'POSSIBILITY' EXISTS DUARTE'S DAUGHTER IN COUNTRY

PA011915 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 1 Oct 85

[Text] There is a possibility that President Napoleon Duarte's daughter, who was kidnapped in El Salvador, is in Guatemala. Security forces are reportedly trying to locate Ines Duarte in Guatemala. President Napoleon Duarte's daughter was kidnapped on 10 September by a group of unidentified individuals who killed a bodyguard and wounded another during the action. The above information is based on reports from El Salvador. As previously reported, President Duarte's daughter was accompanied by a friend, who was also kidnapped. Their whereabouts have remained unknown since then, and, according to rumors, the two women could be somewhere in our country. However, these reports have not been confirmed. It is possible that in the next few hours, police spokesmen might report on this case.

FAR, EGP REPORT OPERATIONS AGAINST ARMY

PA011530 Guatemala City PRENSA LIBRE in Spanish 27 Sep 85 p 3

[Text] For 2 hours, guerrillas seized control of stretches of roads near military posts in Peten Department, CERIGUA has reported. The stretches seized by the Rebel Armed Forces, FAR, are located on the road to Flores and Melchor del Campo between the Las Timidas and Los Tulipanes villages. In the first of the locations mentioned, the Army maintains a contingent of soldiers stationed on the road to La Polvora, a training center of the Kaibiles counterinsurgency troops. In another communique, the Poor People's Guerrilla Army, EGP, reported that its units inflicted eight casualties in an attack on Army vehicles near Santo Tomas, Ixcán municipality in Quiché Department.

NICARAGUA

ORTEGA'S WASHINGTON POST INTERVIEW CITED

PA011939 Managua Domestic Service in Spanish 1200 GMT 1 Oct 85

[Text] Honduras and Costa Rica have become pawns in the U.S. plans of aggression against our people, President Daniel Ortega Saavedra has said in an interview published by THE WASHINGTON POST.

In a joint interview with Defense Minister Humberto Ortega Saavedra, the revolutionary leaders said that the mercenaries cannot achieve victory over the armed people. The defense minister told THE WASHINGTON POST that the mercenaries have become bandits in both Honduras and Costa Rica and that the people of both nations are getting tired of this. The war can only end in Nicaragua when the Honduran Government of Roberto Suazo Cordova and the Costa Rican Government of Luis Alberto Monge decide to clean their countries of that scum, Minister Ortega Saavedra added.

'LIBELOUS' U.S. STATE DEPARTMENT REPORT REJECTED

PA302332 Managua Radio Sandino in Spanish 1200 GMT 28 Sep 85

["Beyond the News Report" feature by Eligio Alvarez Montalvan: "Our Reply to Mr Shultz' Libel"]

[Text] The 24 September issue of the U.S. Embassy news bulletin, which is received regularly by Radio Sandino, contained a summary of a report titled: "Revolution Beyond Our Borders," which the U.S. State Department began to disseminate on 13 September, obviously to counteract Nicaragua's accusations at the International Court of Justice. To what revolution and to what borders does this libelous State Department publication with pseudolegal pretensions refer? Well, no less than to the Sandinist revolution and to the borders which it hopes to expand, according to George Shultz' twisted arguments. The twisted arguments contained in the State Department's piece of libel, "Revolution Beyond Our Borders," begin with the affirmation that the Sandinists, far from being the victims of foreign forces, are instead involved in an effort to overthrow neighboring governments or intimidate them by the use of force. They conclude by arguing that the only way to attain a just and lasting peace in Central America is to have a genuine mechanism that defines aggression and brings about national reconciliation.

We believe that it was not worth the effort for the State Department jurists to rack their illustrious and busy brains to repeat arguments that are hackneyed and that, above all, do not reflect Central American reality. Instead, they should have utilized their wisdom to advise their boss, Mr Shultz, that the genuine mechanism to achieve peace in Central America was right at hand: the Contadora Document for Peace and Cooperation. If we insist on applying the term twisted arguments to the State Department's allegations, it is not only because they are being used in an attempt to prove Nicaraguan aggression against its neighbors, but also because, based on that presumption, they intend to justify the dirty, covert war against Nicaragua, using the specious expedient of doing so in the name of so-called collective self-defense.

However, let us put aside juridical causerie and go directly to reality: Who attacks whom? Who has been invaded? Who suffers the death and the destruction of their property and plantations? Who mines ports, and whose ports are mined? Who establishes embargoes against whom? And so forth. Continuing these questions, we ask: When has a Sandinist soldier ever set foot in Honduras, El Salvador, or Costa Rica? When has a Sandinist soldier killed a Honduran, Salvadoran, or Costa Rican citizen, or raped a child of these nationalities? When has a Sandinist soldier kidnapped a Honduran, Salvadoran, or Costa Rican civilian? And so forth.

The day Mr Shultz gives a firm reply to these simple questions, using his common sense and not the twisted arguments of his jurists, we Sandinists will be willing to become reconciled even with Reagan himself.

BOS LEADER ANNOUNCES TOUR OF EUROPEAN COUNTRIES

PA010440 Paris AFP in Spanish 2327 GMT 30 Sep 85-

[Text] San Jose, 30 Sep (AFP) -- The anti-Sandinist Southern Opposition Bloc (BOS) will begin on Wednesday a political and diplomatic offensive throughout Europe to ask

for a "strengthening of the presence" of European countries in the regional peace process.

Jose Davila of the Democratic Revolutionary Alliance (ARDE), and BOS member, told AFP that the trip will begin on 3 October [date as received] and will cover Portugal, Spain, Italy, France, and FRG, Belgium, and Holland.

In addition to Davila, the BOS entourage will comprise Alvaro Jerez of the professional group [not further identified] and Alfredo Cesar of the Recovery and Reconciliation Movement. All of them belong to BOS executive committee.

Davila said: "We want to tell Europe about the proposal for three-way talks that we submitted to the Sandinist government, which includes an arrangement with the United States and the Soviets to withdraw the elements of the East-West confrontation from Central America, a dialogue among the area regimes, and negotiations among the governments and their respective armed and political domestic opposition.

The leader said that a trip similar to the one programmed for Europe had already taken place in South America, meeting with "great success," and receiving "broad receptivity" from leaders such as Colombia's Belisario Betancur.

FDN DENIES INVOLVEMENT IN LA PENCA ATTACK

PA301714 San Jose Radio Impacto in Spanish 1830 GMT 27 Sep 85

[Report by Marita Helmund, "Impacto News" correspondent, from the Nicaraguan Assembly of Democratic Unity]

[Text] A few minutes ago, reporter Oscar Leonardo Montalban, official spokesman for the Nicaraguan Democratic Force, FDN, categorically denied the statements made to the press yesterday and the document submitted to Fernando Cruz of the Attorney General's Office accusing the FDN and the CIA of having participated in the attack at La Penca, where several Costa Rican journalists died and other persons were seriously wounded.

During the press conference granted this morning here at (?ANUDE) [not further expanded], Montalban said that these charges and accusations are groundless and are a scheme promoted by the Sandinist government and allied [colaterales] interests. Referring to the document submitted to the Attorney General's Office, Montalban remarked:

[Begin recording] Actually, after looking over this voluminous document, in which it is asserted that we were implicated in the attack, I see that it does not submit a single piece of evidence or testimony to support what it says. This libel is as groundless and false as the book on Hitler's memoirs that was published last year, resulting in the imprisonment of the journalists who published it and who are now paying for what [words indistinct] and other things. This document pursues several aims. The first is to tarnish and discredit the image of the FDN as much as possible. It goes so far as to dare to state that Adolfo Calero, an honest and sincere person, was involved in the attack. That is the height of effrontery, [words indistinct], and slander. [end recording]

Oscar Leonardo Montalban added that accusations such as this harm the Costa Rican Government more than the FDN. He said that the accusations were made taking advantage of the fact that Foreign Minister Carlos Jose Gutierrez is at the United Nations presenting a number of reports on the 63 violations Costa Rica has sustained from the Sandinist government and on the white paper presented in Panama on these violations. He said that he will ask Fernando Cruz of the Attorney General's Office not to allow two reporters, Tony Avirgan and Martha Honey, to leave Costa Rica and that they be questioned on earlier statements.

CASTRO 15 SEP COMMENTS ON LATIN AMERICAN DEBT

PA161606 Havana International Service in Spanish 0031 GMT 15 Sep 85

[Question and answer session with President Fidel Castro at closing session of the Youth and Student Dialogue on Latin American-Caribbean Foreign Debt in Havana -- live]

[Text] Companero delegates, I want to make the following proposal. Considering the precedent established during the union leaders meeting, I think that instead of coming up to the stand to deliver a speech, to express what in my opinion is the best [word indistinct], or to explain what I think should be the issues that need to be explained [words indistinct] that instead of a speech we hold a dialogue.

The precedent was established during the union leaders meeting. They were not as many as you. They were very disciplined. I forgot this morning to count you among those that are disciplined. They were 300 and you are 600. Disregarding the difference in number, if we have time, someone can act as moderator. Do not expect me to answer 500 questions, not even 50. I assume that many of you will be raising your hand when you wish an answer on issues or matters on which you have doubts. Do you prefer that I just go ahead telling you what I think?

A large number of pamphlets were distributed, but I guess you have not had time to read them. The pamphlet has the answer to many of your questions. I was trying to find Companera Gloria Lopez of Colombia to tell her about it. I think that is the name of the companera who had so many inquiries to make. I was going to tell her that the issues she brought up had been extensively discussed and answered at the meeting.

[Moderator] Her name is Clara.

[Castro] Oh, it is Clara? I am sorry. Well, Gloria is not bad, but Clara is better. [laughter]

So, it is Clara Lopez. As I was saying, those questions are in the pamphlet she probably has not seen because there has not been time. Some of her questions were asked before by Lopez Michelsen. I referred to these issues during the meeting and at the closing ceremony. However, we should realize that new issues are always cropping up. It is logical.

I do not like to repeat my arguments and ideas, but if necessary I will do so in order to explain anything that has to do with our position, or with the way we think about these problems. I could add anything that in my opinion needs further explanation. I realize that everything could not be covered.

If you approve of the system, we will proceed to the dialogue. I was telling Companero (Lage) that it was best to give the floor to those who so far have not had the opportunity to express their views, but under no circumstance should we deprive ourselves of the opportunity to have very intelligent companeros, who have already talked, participate in the dialogue. In this way everyone has the opportunity to participate. You are free to ask what you want regarding foreign debt. However, if you feel like asking something else, you can go ahead. However, you should realize that this is not a news conference. I will try to answer your questions on the economic and political issues we have been discussing. Now, you take over.

[Moderator] I think the system is very simple...

[Castro interrupts] Ask them if they approve it.

[Moderator] Do you approve it? [crowd laughs and applauds] The procedure is that whoever wants to talk or ask a question raises his hand patiently. There is no need to interrupt or to shout to get attention. We are going to do our best to see that no one is left out. As Fidel explained before, it is up to me to decide who are the ones entitled to have the floor. We will try to give those who have already spoken another opportunity, but always keeping in mind those that have not. Based on this procedure, whenever a companero is going to talk...

[Castro interrupts] He should identify himself...

[Moderator interrupts] Should give his name, his country, and so forth.

[Castro] Another thing, (Lage), if you will excuse me, there is a possibility that many will want to make an opening statement and brief speech, but please ask them to be as brief as possible with their speeches. [crowd laughs and applauds]

[Moderator] Companero from Chile, it is your turn. Your name?

[Hidalgo] Jose Hidalgo, Chilean People's leader. First, a brief comment and then the question. I think that the beliefs of the group of companeros from different sectors and ideologies coincide in two areas: one, that the foreign debt is a problem; and, two, that they are opposed to having the people go hungry in order to pay the foreign debt. Based on the discussions and on the abundant information, there was no doubt that the people would go hungry if we pay the debt. One of the points upon which we strongly agreed was on the need for a new international economic order. My question to the companeros is, what are the basic foundations of this new international economic order, for which we should struggle as an alternative to the situation we are facing in our countries?

[Castro] The new international economic order is the result of a proposal of the Third World countries, especially of the nonaligned countries. Other countries that are not members also participated. This was after the fourth summit meeting of the Nonaligned Movement held in Algeria.

Dozens of technicians, economists, and hundreds of people and politicians also worked and drafted the plan for a new international economic order; then the draft was presented at the United Nations. Mexico, Algeria, Cuba, and other countries participated in this work. Later, another document was presented at the United Nations: the letter on the states' economic rights and duties. These two important documents were analyzed at length at the United Nations and received majority support with the usual exceptions. The United States voted against it, as it usually does concerning maritime rights, concerning the measures [corrects himself] sanctions against South Africa for its apartheid policy, and many other international and vital topics. However, this was a UN General Assembly agreement, not a UN Security Council agreement where the right to veto may be exerted. The great majority, more than 90 percent of the states at the United Nations, approved the bases for this new international economic order; then they approved the letter on the states' economic rights and duties.

In other words, these documents were approved 10 years ago, but the United States does not want to hear anything about this; it does not want to hear anyone mention this. In other words, this UN agreement has not been implemented; it has not been fulfilled. Why? It is understandable that a document of this kind, which seeks a consensus and broad support at the United Nations, must be of a general nature. However, a series of principles are being discussed, and they are related to an unfair exchange, protectionist measures, dumping [preceding word in English], transfer of technology, and transfer of resources from the most industrialized countries to the countries which are euphemistically called developing countries. I explained to you yesterday, during

the contact we had, that these are not developing countries; they are underdeveloped countries because the gap existing between the levels of life, income, income per capita, etc. in developed countries and those in Third World countries becomes wider every year. Therefore, we are not developing countries; we are underdeveloped countries.

The letter and bases established a series of obligations and principles of an international nature which must be implemented. We said in a recent interview that the contents of these concepts or principles must be enriched even more because there are undoubtedly topics such as international solidarity and the principle of international solidarity, which must be discussed as one of the principles of the new international economic order. The developed countries duty is to really help the (?weak) countries, using whatever resources are available, and so forth. I think that those principles must be enriched even more; there is no doubt that if this problem had existed 10 or 11 years ago, one of the topics which would have undoubtedly been discussed is the foreign debt problem and what to do about it. I repeat: Dozens of really talented people worked on this trying to specify and analyze those concepts and principles. All this is stated in these UN documents. Perhaps, I will be able to send a copy to all of the participants so that you may have a specific idea of this.

I believe that these international economic order principles, which must be expanded, must also include the atrocious things which have happened concerning the debt's interest, and the U.S. Government's infamous policy of manipulating the dollar's value and manipulating interests. These issues must also be included in these principles because they are new issues. I think that many other things must be added, such as synthetic products that are sometimes created by countries with an advanced technology. One day it could be a fiber which annihilates the economy of countries which produce jute; another day it could be a product such as the optic fibers used in communications, and this would provoke serious problems in copper-producing and exporting countries. At another time it was synthetic rubber which practically liquidated the need for natural rubber and its by-products, and so forth. New things are constantly being developed.

It could also be some kind of sweetener. Later, it was ascertained that artificial sweeteners could cause cancer; this was created to compete with sugar. I think that this should be regulated because we are not going to oppose progress or the development of new materials and products, either. I always use this example: I used to like vanilla ice cream very much, and one day I decided to find out how the vanilla was produced, what kind of tree produced it, and how it was manufactured. I was also slightly suspicious that the vanilla could be synthetic. I started to investigate because I saw that a small bottle of vanilla was relatively cheap. I started to ask questions. Why did I have to ask? I was told: No, the vanilla consumed in Cuba is synthetic; we are importing synthetic vanilla. I discovered that the vanilla I liked so much in my ice cream, above all a (Copelia) ice cream -- you may have tasted it -- was synthetic. I remember that vanilla was previously produced in Mexico. One of these days they will come up with a synthetic chocolate flavor, or a synthetic coffee; everything will be synthetic and the countries will continue their economic decline.

Measures must be adopted to protect the economies of countries that can be victims of technological advances like those mentioned. If no measures are taken, many, actually dozens of countries which depend on a certain line of production, will be ruined overnight.

Summing up: Work was done, documents drafted, problems given serious consideration, and principles approved during this meeting. However, I believe the principles must be enriched until the new economic world order, which is one of the fundamental demands, is attained. This is indispensable.

Let us suppose that all debts are cancelled, that is to say pardoned, forgotten, erased. Within a few years we would be in exactly the same or in a worse situation as we are today. Why? What are the causes of the debt, of unemployment? What factors can account for the debt? It has been said that oil and the price of oil were instrumental factors in the problem and that they made it worse. True, oil prices created more problems than there were before, but some problems were already there. Who was to blame? The industrialized, capitalist world; the consumer societies. They gave rise to unprecedented consumption of oil. The trend was to make use of the cheap energy that was available. The fossil fuels and hydrocarbons which took nature hundreds of millions of years to produce were being used up in a period shorter than 100 years. The consumption of fuel was doubling every 5 years. Coal mines and energy saving policies were abandoned. The rate of demand and the waste were so overwhelming that conditions for the oil crisis were created, and the price of oil increased exorbitantly. The Third World's non oil-producing countries were seriously affected by it. Why? Because the terms of exchange became inequitable. The exchange of Third World products for oil was unfair. The prices of those products fell, while oil prices increased 12- or 14-fold. That was terrible for the Third World non-oil-producing countries. The system established by the Western world, its irrational consumer habits, and its waste were the factors that gave rise to this catastrophe. They transferred the price of oil to the prices of the products they exported to us, [Castro chuckles] to all the merchandise they exported to the Third World. Indeed, they paid fabulous sums of money -- some \$1 billion over 10 or 11 years -- but they got their money back. They began selling bulldozers that had been priced at \$20,000 or \$25,000 for \$60,000, \$70,000, or \$80,000. The prices of medical equipment and of all products increased. However, one cannot blame the oil-producing countries for the conditions that gave rise to the oil crisis.

The best proof that there is underdevelopment and serious problems in the oil-exporting countries is the fact that several major oil-exporting countries have priced their oil at \$26 or \$27 a barrel. There are two neighboring countries that have this problem: Venezuela and Mexico. Both countries are important exporters of oil, and nonetheless, they are experiencing terrible economic crises resulting from the system of international economic relations. Admittedly, this is not the only reason for their problems, but I do not want to go into other problems at this time. However, these countries are facing serious economic troubles. That is why someone here very wisely stated that if Venezuela cannot make it-- and he proved that Venezuela could not make it -- how can one expect the other countries to make it? The other countries do not receive \$12 billion or \$14 billion per year from oil exports.

We will not solve anything even if we write off the debt. That is why we have discussed three essential things within this thesis. One thing would be to write off the debt, as a first step. The second would be to struggle for a new international order, and the third would be to achieve Latin America's economic integration. That is what Latin America needs, even though we referred to all the Third World. When we talk about writing off the debt, we do not mean writing off only Latin America's debt, but we mean all the countries in the Third World, without exception, because these countries owe approximately \$950 billion. This a battle that must be waged not only for our countries, but all the Third World, and this is what gives this struggle its strength. We must seek the unity not only of the Latin American, but of all the Third World countries, which number more than 120. Some are just waiting; they are so weak that they cannot even speak out. We still have some energy and breath left to protest. However, there are approximately 30 Third World countries that cannot even speak out, because they depend on daily handouts, that is what it has come down to.

There is a group of countries that call themselves the less advanced countries. The United Nations has a special fund to help these countries. They live from day to day on what they receive. However, if all those countries on the brink of starvation united, they could be a tremendous force.

The problem is not to defend an idea, but to find out whether that idea is practical and viable; we can discuss that. The problem is to figure out how to implement that idea, the chances it has of succeeding, and what will happen if that idea does not work, if it fails, and if those who must comply with their commitments fail to do so.

Therefore, a special case is at hand. It follows that the new order would categorically prohibit the possibility of bringing a country to a state of bankruptcy overnight by the use of protectionist measures and dumping [preceding word in English], which is being used today by the Europeans. What is the going price for sugar? Three or four cents of a dollar [as heard]; it was worth less than during the 1930's [Castro chuckles] it has less buying power than during the crisis of the 1930's. However, that also applies to all other products.

Europe produces sugar under subsidy. It once imported millions of tons of sugar, and it now wants an export quota of five million tons; Europe now exports millions of tons of subsidized sugar. In the process, it is ruining dozens of countries that produce and export sugar.

Europe subsidizes the meat industry. It pays \$2,500 a ton and sells it at \$800; it is holding hundreds of thousands of tons of frozen meat in storage rooms. Ask the Argentines, Uruguayans, [Castro chuckles] Colombians, Brazilians who were once important meat exporters what the going price of meat is on the world market. It stands at \$1,250 as a result of the unfair, dirty competition of the EEC, which is selling subsidized meat. It subsidizes meat at \$2,500 and sells it at \$800.

Ask the Brazilians and other textile exporters about the problems they are facing as a result of protectionist measures. Ask producers of cement and bricks. Ask the Mexicans; they even exported bricks in desperation. Moved by the need to export something, they would export anything; they would export air if necessary [crowd laughs], if someone would buy it.

Those countries establish protectionist measures, tariffs, and quotas. There is a great struggle under way now due to the strong pressure that U.S. shoemakers are exerting in their country. As a result of a number of crazy things done by that country, it has lagged behind in shoe production. Given that wages are higher there, productivity does not increase enough. Seventy percent of the shoes sold in the United States [Castro chuckles] are imported. Now they want to curb imports due to pressure exerted by senators, legislators, shoemakers, and companies demanding protectionist measures against shoe imports. This could materialize overnight. I could cite other recent examples.

Colombians have invested hundred of millions, no, actually more than hundreds. This involves a mixed company. They invested more than 1 billion dollars in a coal mine. Supposedly, the main markets for that mine are thermo-electric plants in the eastern United States. For those plants, it is cheaper to buy Colombian coal than to buy it in the United States. U.S. coal producers are now lobbying and demanding a \$12 tax. Given that the international price of coal dropped from 50 to 39 [currency not specified], they are asking for a \$12 tariff to prevent Colombian coal from entering the U.S. west coast.

Any given country can implement an investment program based on a supposed market, can build up that program for years, invest thousands of millions, and suddenly be left without a market overnight.

This is a chaotic, selfish, and merciless policy on the part of those countries toward our countries. Those countries talk about human rights and many other things, but are killing dozens of millions [as heard] of people in the world every year.

When reference is made to a new international economic order, we refer to the regulation of [changes thought] to the establishment of an international code of economic order to prohibit all these practices. Now, that is not achieved by imploring; maybe praying might achieve that with the help of the liberation theology, which plays such an important role in these struggles. However, there is no doubt that we must tackle this problem, and they know this. There is a saying: While you pray for a miracle do what you can to help yourself. [crowd laughs, applauds]

We need strength to wage this battle, the battle of the exploited and the hungry. What can provide us with that strength? Unity. What can bring about unity? The debt, which is our most immediate problem; the crisis, the catastrophe. We are standing at the edge of an abyss; we must choose between life or death. We must tackle the debt and that entails a complete strategy; it is not a slogan [consigna].

We must all unite to face the debt: Latin American and Third World countries together. In that way we can liquidate the debt. To liquidate the debt does not mean to pay it off; it means to erase it. I explain this because unfortunately the dictionary might define the word cancel as both: not to pay and to pay. I even had to consult a dictionary of synonyms. [crowd laughs] One of the definitions [Castro chuckles] defines cancel as erase. I said to myself that that is exactly what we want [crowd laughs]; we want to erase it from our minds; that is what we want to do [crowd applauds]. We can erase it with the strength afforded by the struggle revolving around the debt; we can use the strength and unity of this struggle to demand a new international economic order.

I think that a united Third World, with the support of progressive countries, and most probably with the support of socialist countries, and even with the support of numerous Western capitalist countries with progressive stands, can successfully isolate the United States, which is the center of capitalism and imperialism, together with the few allies it has.

I would imagine what countries might do in general. I would not like to mention them, in order not to judge them in a prejudiced manner. The Yankee imperialists always have allies in these adventures, some unconditional ones. But one can be isolated. By struggling in the Nonaligned Movement, struggling at the United Nations, they have already won other battles. With that strength, the battle for the new economic order will be waged.

The Third World countries have waged and won some battles. Yesterday, I gave you two examples: the battle for the oil prices; it is true that they went far too high. I already explained the consequences, but a relatively small group of countries waged a battle and imposed the oil prices. The West had to accept it. Of course, it maneuvered, using its advantages, its privileges, and power. It assimilated, picked up the money, and I have some criticisms made some years ago. [sentence as heard] Some proposals of the countries that were to use these resources were made in order to support the Third World, because the Third World supported it in its battle. Practically all the money ended up again in the United States and Europe. Among other things, that money is the basis for this crisis, the debt; this money handled by the Western powers. As I explained, they increased the prices of their products and they managed to face the problem. However, they had to accept it. And the price of petroleum increased from \$2.50 to \$30.00. It even rose higher than \$30.00. Now it is below \$30.00.

There was another battle that was waged and won which was begun by a group of relatively small countries. It was begun by Peru -- at the time of the Velasco Alvarado administration -- Ecuador, and Chile. Three countries practically began the battle for the Law of the Sea, to extend what is called today the territorial sea or the exclusive economic rights. Before, it extended to 12 miles, and now they have begun to fight for 200 miles.

The large fleets of the industrialized countries fished in those areas. We were harmed by that extension, for the peculiar reasons of Cuba. For centuries, we had been fishing near the United States and Mexico. Our platform is very small, and during the revolution, we developed a large fleet that was fishing in all seas of the world. It was fishing for a source of protein, something very important for our country. We had developed thousands of cadres; a country that used to fish in small rowboats was fishing in the Pacific, the North Sea, the Atlantic, the South Atlantic, everywhere.

Although this [the Law of the Sea] affected us, we decided we had to support the Third World countries. The socialist countries who had developed their fleets had the same problem. All the socialist countries supported this move. Cuba, of course, immediately supported the 200 miles demand, despite the fact this meant we were going to deprive ourselves of a source of food. We supported it. The battle was waged at the United Nations, in the international field, and the battle was won. The 200 miles had been established.

Naturally, this brought benefits for all the Third World countries in a certain manner. True, they do not have a fishing fleet yet. [sentence as heard] [laughter] But they charge for fishing there. They get something, crumbs, but they get something which is not to be ignored. The battle was won. In theory, it is not impossible. We can win the debt battle whenever we want to win it. It depends only on the willingness and the amount of energy, the amount of hormones in general we can set aside for this struggle. [laughter and applause]

However, the battle for a new economic order is more difficult. And we must wage it. We have to wage it, at least. I think the world must show if capitalism can continue to exist or not. It has to be tested. If that infernal system cannot solve this problem, we will have to draw another conclusion: that this system must disappear. However, we can give it a chance. [laughter] Give it a chance to show that it is capable. For the time being, we cannot resign the principal opportunity to wage that battle. That would not be right. It would not be tactical, or strategical, or intelligent; and if we are not good tacticians, strategists; if we are not intelligent or wise we are not going to win this battle or any other battle. That is clear.

The truth is that just because the developed and rich ones think we are dumb and foolish, we should not behave as such. [laughter and applause]

I am sorry I went on for so long, but so many associated ideas came up. I took advantage of your question to explain some concepts.

[Moderator] Companero from Colombia.

[Sanchez] Eduardo Sanchez, of the Colombian Socialist Party. Companero Castro, you recently brought up a theory that the problems of Latin America today places reason on Latin America's side, and it places reason on the side of those of us who believe in that theory. Socialism is the path for development in Latin America. In some of your speeches and interviews, you have brought up or suggested that the revolution is not precisely what has been proposed, socialism. Rather, what has been proposed is the salvation of our peoples in the face of the restrictions and looting of the foreign debt and imperialist oppression. Undoubtedly, the topic of the foreign debt -- that is, struggling for its total elimination -- is a correct path of mobilization. Those of us who support that idea are obligated to answer permanently why that struggle is not reformist. Why not try to save capitalism? Why does it move us away from socialism? Could you give us some arguments that will allow us to expand on the subject, that would allow the Latin Americans who are discussing this everywhere, convincing other sectors, seeking to broaden the base of support to understand that this is a struggle that concerns all peoples, all political and ideological trends of the people, and that it has -- within our Marxist concept -- a coherence. That is the topic I propose you explain to us.

[Castro] I think the duty of the revolutionaries is not only to struggle for social changes, but for creating those conditions that will make these social changes feasible. That is why I have explained this topic, departing from a question made by a newsman. Social explosions will occur. There will be great social explosions due to this change. Then, we will be able to explain the reasons for the social changes. Now, there will be social explosions in various countries. Some sooner than others. It might even happen as a chain reaction.

The minimum conditions that make development possible are not certain. Let us suppose that in some countries such as Cuba, Nicaragua; several small countries -- I will not speak about Brazil, which is a separate world -- there are countries where a revolution can be taking place today, and have the resources to do many things, because they are big countries. There is the example of Cuba: 26 years of blockade. We have managed, we have won. History will one day recognize the merit of our people of having known how to confront that colossus, his tricks, his aggressions, his lies, his crimes. Aided in part by his stupidities, we have managed to resist, and we are here, doing what we are able to do, through the revolution. It has been difficult, but we made it.

Then, there is another revolution in Latin America: Nicaragua. Immediately, we see the economic blockade, the closing of the markets, the aggressions from the Honduran border, from the Nicaraguan [as heard] border; the trillions of dollars, the CIA at work, mercenaries all over the place, and a war with three countries. It is not only an economic war, but also a military one, complete with threats of invasion. This is what has happened to the Nicaraguans so far this year.

We remember the victory of the Popular Unity in Chile, and we know what happened there. At that time, Chile owed \$3.5 billion. Their credit was taken away from them, all of their payment facilities were taken away from them. Despite higher oil prices, their difficulties began, the shortages of the Popular Unity government. Why? Why this objective economic situation? Why this division? What can our isolated countries do? From where are they going to get the resources? Who is going to help them? The socialist countries can help, but their resources of the Socialist countries are limited. The Socialist countries have been blocked, and are still being blocked. Just look at the amount of measures that are imposed to prevent the transfer of technology. How many things are banned from them; how much technology, industrial production information is banned from them? Immediately, they claim this technology is used for war. Naturally, a machete is also good for war. Anything is good for war. The Socialist countries are blocked, forced to struggle for survival; forced to invest large resources in armaments, because they are being threatened.

I think that if there is a possibility that all these Third World countries can wage a battle, can struggle for the possibilities of emerging from their underdevelopment, we will then be creating the true conditions for the social changes that can be accomplished in the future when the people want to accomplish them and the revolutions can survive in our Latin American atmosphere. There should be sufficient unity and strength. Why can the Yankees do what they are doing, commit the crimes in El Salvador, about which companero Vladimir informed us? Vladimir is his nom de guerre. This is the first time I have heard about him. What did they call Vladimir here, you, who were the one who introduced him?

[Unidentified speaker] The Argentine.

[Castro] Ah, the Argentine. Salvador Guerra. His nom de guerre is not Guerra, but Vladimir [laughter]. That is the way it goes. [laughter and applause]

He told us how they murdered 900 women, children, and men. They were burned. About South Africa, why even talk about that? When there is a slaughter in Mozambique,

Angola, the racists kill 500 persons, 500 Namibians, this is not even published in the newspapers. If one White is killed, there is a world-wide scandal. But when 500 Africans are killed, when 600, 700 men, women and children are killed, not even a picture is published. That is the type of journalism, the type of information in the world. Nothing is said about that. One hears here that 900 people have been killed, but no U.S. newspaper published that slaughter. It was not mentioned on television. The 900 bombing operations have not been reported either. Yet, the threats against the whole world, even against us, are published. The Salvadorans killed four Marines, U.S. officials, military officers, and then, they talked about human rights and terrorism. [sentence as heard]

They do the most horrible things in the world! However, we never find about those things. When we do, it is by coincidence.

I have given a great deal of thought to these things, the things that are happening, our weakness, our lack of unity, our impotence. That is what gives imperialism the opportunity to commit all these brutalities in El Salvador and Nicaragua. What has happened in Nicaragua? During this meeting it was reported that 12,000 Nicaraguans have been killed. What do those deaths mean? Let me illustrate by saying that proportionately speaking, it is as if 900,000 Americans had been killed in the United States. It is as if someone were waging war against the United States from Mexico and Canada, staging acts of sabotage, mining ports, and killing people, and 900,000 U.S. citizens had already been killed. Let me tell you that the deaths during World War I and World War II did not reach 900,000 citizens even if we add the casualties from both world wars. This means that through its dirty war the Reagan administration has killed more Nicaraguans than the number of Americans killed during the two world wars. And yet, they say that nothing is happening in Nicaragua.

What would happen if 900,000 people had been killed in the United States? There would have already been 10 nuclear wars. However, they can very happily, openly, and shamelessly approve their budgets in the Congress. It is covert-war, a so-called covert war. Secret! The war in Nicaragua is still secret! [crowd rumbles, laughs] Twelve thousand die, plus the others who will unfortunately die, and there is nothing to it. Not even a protest. The truth is we have yet to see a forceful protest by the Latin American governments. The negotiations and efforts that have been made must be commended because they are a start. The Contadora Group efforts must be commended just as the efforts of its support group. This is significant. However, when the Nicaraguan port waters were mined, no one in Latin America or the world protested that action. This is a very sad reality. That is why the United States planned to invade Grenada and did. That is why it invaded Santo Domingo in 1965 to prevent a revolution there. That is why it works to destabilize the Nicaraguan economy. That is why it spends hundreds of millions of dollars on the genocidal war against the Salvadoran people; why they allied with the British during the Malvinas war; why they destabilized the Salvador Allende government in Chile promoting the coup d'etat there; why they blockaded Cuba, threaten the entire world, and stick their nose into everything. And we stand impotent.

I believe the revolutionary spirit, well understood Marxism, and revolutionary ideas should lead us to conclude that we must struggle intelligently and first join efforts to be independent. I would say that more than being in a phase to construct socialism, we are in a phase of national liberation in Latin America. I believe we are less independent now that we were under Spanish rule. Back then the king was very far away, in Spain, and he had a viceroy here. The viceroy was usually corrupt, like the people the Yankees have all over the place to serve them. Here, the empire is very near, powerful, and colossal. They keep track of everything 24 hours a day: countries' economies and politics. Their ambassadors are proconsuls. They do not communicate, discuss, or practice diplomacy. Practically all they do is issue orders. That is the

truth. It is a permanent presence every day of the year, every hour of the day. You need only go to the movies in a Latin American country. What movies are they showing? Turn on a television and see what we are being told. What is the name of that show that's on at noon reaching every home via the television screen? That is, all homes where there is a television set. And now that television sets are inexpensive and abundant and [words indistinct] many villagers have brand new television sets. Maybe they bought them on credit will full payment in 5 years. And what information does Latin America receive? The international news agencies, Yankee agencies.

What program are seen on television, what movies, what series are seen in most of the countries? They are U.S. programs, series, and movies. Who controls the news circuits, the movie chains, and the film distribution centers in general in Latin America? Ask the film directors of the new Latin American films. They find it very hard for one of their good films... [changes thought] excellent films because I would say that no continent is producing films today of the quality that Latin America is producing with this movement of the new films. [sentence as heard] But where are they exhibited? On what television? In what movie theaters? What is shown on television and in the movie theaters? What programs are aired on the radio? They are made in the United States. Those who talk so much about brainwashing and who use that famous word so often are brainwashing us everyday, 24 hours a day, as soon as we open the morning newspaper and as soon as we read a magazine. We receive the news transmitted by the agencies, the news transmitted over their satellites for television. That is our daily bread. That is the spiritual bread that we receive in Latin America. For that reason studies have been made in some countries and it was discovered that 80 percent of the children, and even more than 80 percent in some countries, know the U.S. comic strip characters. Superman is very popular among the children. Nevertheless, they do not know the names of the patriots who achieved their country's independence. This is really very sad, very sad.

We are living this reality every day. If we want our societies to progress and advance, we must think about this reality. How do we struggle against this reality so we can change the world, so we can have the right to independence and to be free because you cannot build socialism if you are not independent and we are simply not independent. First, if we are realistic, I would say that we must essentially guarantee independence. If we can guarantee socialism at the same time -- great. However, as long as the people, the youths, the children, and the masses believe in Superman, it will be somewhat hard for them to believe in Karl Marx. [laughter, applause]

Fortunately, the Latin American progressive, revolutionary movement has received the extraordinary contribution of the liberation theologians and the liberation theology movement because there are many people in Latin America who are believers and who believe in God. They believe more in God than in Superman. [applause] I don't know what Marx, Lenin, Engels, and the founders of scientific socialism would have done, but I presume they would have greatly valued that religious movement and the interpretation of the gospel that emerged from the objective realities of our hemisphere and the contact of those men and women who have a spirit of sacrifice and solidarity, and who are alongside the people and living with them. They originated that movement.

There are many new things in this world. We cannot simply continue with cliché ideas and with sectarian, narrow interpretations. We must open our eyes. We must look at the reality if we want a more just society, a really more just society. If we understand that socialism is the most just society and if we want a more just society to exist, then let socialism exist in these Latin American and Third World countries. It is not that I have renounced the ideals of socialism, the values of socialism, and the struggle for socialism; it is that I am absolutely convinced that through this path we will arrive sooner and further, even though some nearsighted people confuse themselves and imagine that there is reformism, revisionism, apostasy, and Marxist

sacrilege -- mixing a religious word with a political word. In this they are sacrilegious of Marxism. They are committing a sacrilege of Marxism. We must have a long-term perspective. I don't care if I'm told that capitalism is going to live 10, 20, or even 30 more years. [laughter] Thirty years is a short time compared to what that old fox has lived, that old and oppressor fox. Thirty years is not much.

They tell me: What you are saying will prolong the life of capitalism approximately 20 years. Yes, but in exchange for what? Ah, we will begin to fix up this world. We are going to create conditions for development and for the social changes; we are going to consolidate our independence. I prefer securing independence even if it means 20 years of capitalism in the world because otherwise I am afraid that what we will have is 100 years of capitalism. I am afraid of that. [applause] If the Yankees continue indoctrinating us about the feats of Superman and they continue sending us all of their canned ideology, I don't know what will happen. Of course, I am afraid of what might happen but I don't believe it. I don't believe it. There are a number of problems that threaten our world. They are very new problems. There is the problem of war that is seriously threatening us. One of the things that we do is associate this struggle against the economic crisis and the debt and for the new order to the struggle for peace. These are two vital things in our times.

If you were to ask me if I preferred a world war to capitalism for another 20 years, I would undoubtedly have to say that I would prefer capitalism to survive another 20 years. No longer than that. Just 20 years. [laughter] I exchange it for peace. If I am assured there will be peace, world peace, that is more important because the dead cannot enjoy socialism. A mankind that does not exist cannot construct socialism. I can shuffle around and try to balance things and say: Let us yield a bit; let us grant socialism a few more years. Socialism is so obsolete; it is dying by itself. [crowd rumbles] The trouble is that socialism is the victim of capitalism. Did I say socialism? [crowd rumbles] I assure you on my honor this was not a mental slip. This was a slip of the tongue; do not forget that. [laughter, applause]

Capitalism -- and I say it with such gusto, capitalism -- is so obsolete that it is dying by itself, but we should help it as much as possible. [laughter, applause] However, there is the threat that as a result of its contradictions and its despair, imperialism will lead the world to a fatal, final war. There will no longer be anyone left to fight with in this world. This is possible; it is a scientific reality.

This is another great problem that we revolutionaries and those of us who want to fight for socialism must face. We are also fighting for peace. Just look how we clench our fists, how we shorten the possibilities for the imperialists to carry out barbaric actions as they did in Vietnam. That is a good example because world public opinion and U.S. public opinion -- supporting, after all, the heroic efforts of the Vietnamese people -- made the defeat of imperialism in Vietnam possible. They were not able to use their nuclear weapons or try to exterminate the Vietnamese people. Therefore, we must struggle for peace. We must preserve mankind. We must wage our struggle under very difficult conditions. That is why I say that this requires a special wisdom. Under these circumstances, the wise will be the best revolutionaries, not those who quote from theory but those who know how to correctly interpret reality. That is why I would not worry if I were told that the world capitalist system would be extended in order to liquidate this debt, achieve a new economic order, and struggle for integration. I am not referring to Latin America. I would not worry. I think this would be an extraordinary advance, a tremendous step forward. However, in addition to depending on us, it will also depend on when we build socialism. No one is going to come and build it; we must build it ourselves when we have the conviction. We must do it when the subjective conditions and not just the objective conditions exist for building socialism.

In my opinion, the objective conditions in these last years have advanced much more rapidly than the subjective conditions. That is why social explosions will occur. If I were told: Listen, next to these conditions that are maturing rapidly there is a large revolutionary awareness among the masses, then one would have to start talking about socialism. However, we all know that the subjective conditions are not yet mature, although they are rapidly maturing. You all know that and (?polls were conducted) in Brazil, in various countries. Someone spoke here about the simple man with a simple morale and said that he is the honest man. He is comparing this debt with his personal debt with his friend or with the local storekeeper. We all have had that problem: owing money to the storekeeper or the landlord. Almost everyone here, approximately 95 percent of the people here have had that problem. I am not going to ask those who have never owed anything to raise their hands because there will be very few of them, and I would not like to embarrass anyone here. [laughter] I am not ashamed to say that when I was a student, and even after I graduated from school, I owed money to the storekeeper, the power company, the telephone company, and the landlord. I had my little problems over that.

Therefore, how are we going to overcome all of these problems? I would say that is for the revolutionaries and socialists to figure out. How are we going to create this awareness? I was saying that some know what the debt is about, and sometimes people say the debt should not be paid. You yourselves have reflected here that a large part of the masses do not even know what the debt is all about. That is the truth, and we must admit it.

The workers have a clearer picture. During the trade union meeting, it was evident that all of those delegates had a clearer picture of the debt problem because they were more aware of the debt in their daily struggle for wages and in the reduction of salaries. The reporters are a little better informed. The personalities who have met here were very much aware of the problem. The youths who have met here have not been as aware of the problem. It can be said that the youth and students are now becoming more aware of this problem -- the debt -- and its decisive importance. Now it is becoming important for them. Many of you have spoken here on the need to take this awareness to the people. It must be taken to the masses. I think they will develop an awareness. It is a magnificent instrument of education because it is very closely associated with what the people are suffering daily. It is a universal problem, but the masses have not yet developed an awareness. If the masses are not aware, then there cannot be what one can describe as the subjective conditions. The masses are not yet aware of what imperialism is. They mention it and they repeat it, but this debt, everything we are suffering now, this catastrophe, this is imperialism. This can help us teach the masses what imperialism is. Excellent! What an opportunity for the revolutionaries to be able to teach the masses every day what imperialism is with practical examples.

A Salvadoran, Hurtado, spoke today -- I remember him -- and said: Can we expect anything from the bourgeois? I swear to Companero Hurtado and all of you that it is very difficult for me to have faith in the bourgeois; it is very difficult to trust the bourgeois. How can we trust the bourgeois after our revolution in 1959, after suffering what we have suffered? They blockaded us; the United States pulled strings, exerted pressure on governments and sooner or later all the governments broke relations with us -- except Mexico. These governments not only broke relations with us, they supported actions such as this aggressive policy against Cuba; they supported actions such as the Bay of Pigs mercenary invasion. We did not even have Contadora at that time, not even Contadora, only a few countries that resisted a bit more until they could no longer continue to resist. Who has suffered what we suffered?

Our sugar quota was taken away and distributed among the Latin American governments [corrects himself] among the Latin American countries. A sizeable group of countries distributed among themselves the 3-odd millions [no unit designation as heard] of historical sugar quota that Cuba had attained during 100 years of commercial relations with the United States and no one protested. They distributed among themselves the booty of Cuba's sugar quota. We were expelled from the OAS; we were expelled from everywhere; everyone broke relations with us. Does this case history indicate we should trust the bourgeois? However, we cannot ignore the fact that some changes have taken place, that we are facing quite a different situation. Fortunately, Nicaragua has received much more solidarity than Cuba did, because even the bourgeois learned something after the revolutionary experience in Cuba.

Nowadays, the proletariat and the peasants are not governing our countries; neither are the revolutionaries. There are democratic, bourgeois governments in some of the countries because the population voted for those people. Of course we know how all these electoral mechanisms work. Certain campaigns in Latin America cost \$300 million; use make up on the guy, give him some color, fix his eyebrows and his hair, everything; they sell him as if they were selling Coca Cola. They sell him as if they were selling Coca Cola [repeats himself] [applause, laughter] I know how the bourgeois democracy has worked in some countries; the demagoguery that has preceded these events; the millions spent, the mass media used to divulge these campaigns. Thus, if a man has good ideas but does not even have a bench in the park to stand up and talk, it would be difficult for him to win the elections, no matter how brilliant and just these ideas may be.

It is a mistake to forget that those governments are there and the battle we are waging. I base my statement on a logical thing: These countries face a desperate situation. The governments have no other alternative but to solve the debt, as discussed here in some of these various pamphlets, or to cancel the debt, and this represents a political death. No one, absolutely no one, will escape this no matter how brilliant he may be; no matter how intelligent and honest a person may be, he cannot escape this. This is an unquestionable reality. This is a desperate situation for the countries, for the governments -- even for the bourgeois. I cannot have faith in the bourgeois. I cannot trust the bourgeois; no way. However, I do not forget that they are in government or the situation they are facing. What I think, what Hurtado thinks, or what many of us think is not important; even what all of think is not important. We must know what the people think. It is not enough for us to think this way if the people still believe them, if the people still trust them or have faith in them.

There is, of course, only one way to learn this, and the masses will learn. This is a terrible, desperate situation. This is a challenge for all the governments; this is a challenge for the bourgeois leaderships, and they will have to react according to the circumstances because there is no other alternative. Otherwise, it will be a political suicide for them as politicians and the leading class; they have the responsibility right now. We are ready to collaborate, to help cut the losses; and we have done so, taking into consideration that if we are going to wage a battle about this problem we must first achieve internal unity. We have brought up the topic of this internal unity wherever it was possible. I am not talking about internal unity with Pinochet, Duvalier, Duarte, a genocidal government, or with Stroessner. No. However, we need a minimum of internal unity if we are going to wage the battle and counter this problem. Now then, if the bourgeois do not rise to the occasion -- regardless of our faith or lack of it, of our trust or lack of it, in them -- then the people will draw their own conclusions.

Then, we shall be approaching the hour of the revolution, when the people come to the conclusion that they cannot expect anything from those leaders. Then, we shall be

approaching the hour of the revolution, and the objective conditions will begin to coincide with the subjective conditions. We cannot skip stages when there is still great confusion among the people, which is now beginning to dissipate.

After having attended many such important meetings, we can see the speedy advance of all this awareness developing process, in which the economic crisis -- and within it, the foreign debt as an outstanding element -- has become the main topic.

I believe that these viewpoints I have tried to explain could better express my ideas concerning whether the time has come for socialism. First of all, I believe it is the hour of national liberation for the peoples of our hemisphere, and of the accumulation of forces. But it is not for me to preach socialism, because we might frighten the bourgeoisie and, instead, help the United States and imperialism. Since we are still a group of independent nations, rather, of dependent, isolated countries, I believe what every nation should do is up to the political and revolutionary leaders of each country. I do not think that if we are calling for unity in a great stand against imperialism, in a great battle concerning these issues, we who have been experiencing these problems for a long time, should emphasize the social revolution. I can assure you I have no objection; in fact, we would be quite happy should a social revolution take place in Latin America. We are not going to cry that day, you may rest assured.

Besides, we are at ease. We are in a historic moment, in which no matter how the coin falls, the people shall come out the winner, if these battles are successful in their objectives. In fact, the people shall be the winner even if those objectives are not achieved, and we are able to create an awareness among the people. What I am trying to say is that there will be no compromise in this situation. This battle is either won, creating the conditions for a much more secure future, or there will be a revolution.

We can already begin talking about revolutions. I used two or three words -- social explosions of a revolutionary nature or tendency; social explosions that will develop into revolutionary explosions. However, the subjective conditions are not yet present.

[Prada] Fernando Prada, of the Bolivian communist youth. Expanding a little on the last subject, the commander has already told us how imperialism, under certain circumstances, is capable of boycotting those agreements entered into even by the international community. For example, there are conditions that could improve the economic order, but which it chooses to boycott with its actions. In some countries, however, and particularly in Latin America, there is an internal boycott, that is, in each of the countries. In the case of my country, for example, there is a dependent oligarchy which controls the economic power and which, should the foreign be disregarded and a new economic order be established, that is, a break with imperialism, this would mean its death as a dependent oligarchy.

In some countries such as mine the objective conditions have been present, not so the subjective conditions, in order to advance. I believe, however, this advance will be gradual. There are some countries in which the breaking with imperialism will be the result of the economic order and the foreign debt, opening the way to their national liberation. In some cases, even the first advances toward socialism could take place. Therefore, I interpret the exhortation of Commander Fidel for Latin American unity against payment of the debt, as an anti-imperialist unity and as an appeal to the revolutionary forces of each country and to the leftist political parties to get together and speed up the conditions for creating the subjective factors. I believe such conditions will gradually ripen. In that respect, what message would you send to those forces in the various Latin American countries to achieve these conditions?

[Castro] My answer is that if you want to create the subjective factors, this battle must be waged until its final consequences, concerning the economic crisis, the debt, the new order, and the economic integration of Latin America. I believe that what we are doing is what will mostly help in creating such subjective conditions. It is not a matter of speeches or preaching. It is necessary for the people to see with their own eyes, to understand what is happening. I have always been a supporter of unity by principle. However, my role at this moment is not to tell the leftist forces what they should do to speed up the subjective conditions for the revolution. This is because I would be undoing with my feet what I have done with my head. [laughter]

I cannot send out two message at the same time: One message for internal and external unity, to struggle against imperialism, for a great rebellion against the conditions established by imperialism, while sending out a revolutionary message within the countries, because I would be promoting division and fear, and I would be helping imperialism. [applause] If we do what we have to do, the people will draw their own conclusions. We have seen in all the meetings; this is advancing quickly. Therefore, I say that this is like a snowball, gathering speed and growing larger; and the snowball can crush anything that lies in its path. However, I think that our proposals, our actions -- and we must act intelligently -- must be united. If we create panic we will not attain unity, we will persuade no one, and we must wait for things to develop. This has nothing to do with the faith we have; they will either react in a logical way or commit suicide; maybe they will not commit suicide. Then, we will talk, regardless of the way things turn out. There are other tactics, but we must carry this struggle to the end.

[Moderator] The companera from Ecuador requested the right to speak a while ago.

[Unidentified speaker] Companero Commander Fidel Castro, please accept a cordial and combative greeting from the native Indians of Ecuador. It is truly a pleasure for me to be with you, but we are concerned because we were not able to participate as Indians or present our own criteria as Indians. Four leaders are here representing the Indian race. I would really like to speak on behalf of the Indians who live in our country. Companero commander, I have a question: How can you explain the situation concerning the Indians and the foreign debt, because we are Indians who have lived in the wilderness away from cities and know nothing about the foreign debt, from which the capitalists have received all the benefits. Please show us the road or give us a guideline of how we must orient our actions as Indians and learn about the bourgeois situation that prevails in our region. It is really painful for us that the Indians are not taken into consideration at any level, in any sector, because the Indians are not even allowed to send a representative. That is why we have no information concerning the foreign debt. Consequently, I ask you, Companero Fidel Castro, to give an explanation or show us the road. The Indians also have the right to know and the right to protest against the bourgeoisie. Thank you. [applause]

[Castro] I think that a historical crime has been committed with the Indians, and it dates back 5 centuries. The day on which we celebrate the millenium of America's discovery will mark the half millenium of injustices and crimes committed against the Indian population. They were practically exterminated in our country; only a few are left. They were exterminated during the early years. I believe there are 6 million Indians in Mexico; 4 million died during the first years, a genocide. We will soon reach the first half millenium of the slavery of the Blacks and the Indians. There was never justice for the Indian as an Indian, when the conquerors came, because they were deprived of their riches, lands, and freedom. There was no justice for them even after the independence, either as Indians or as peasants. Fortunately, the Indians' culture -- even complete Indian communities -- survived in some Latin American countries.

Various representatives from Indian communities have participated in the meetings we have held here, including the women's continental meeting held here. They talked not only in Spanish, but in their own language. They talked with brilliance, talent, and ease; and they issued their message. This problem about the foreign debt reminds me of a companera who stood at the podium and eloquently said that they had received nothing. I think she was a Peruvian. Was she not? She said they had received nothing; they had no schools, medical assistance, or the minimum conditions for living. They had nothing.

Therefore, they were not going to pay that debt, they did not have any debt to pay, and they had no obligation, no commitment, no desire to pay any debt. Almost the same tone was used by all those who took the stand in those meetings. I think this means a great deal. It expresses the capacity of our peoples, our peasants, our Indians, of the poorest sectors, even where they have no schools, nor education, to grasp the essence of the problem. When the Indians can understand this situation -- this thorny problem, about which someone has said, that until now, this was a cabinet problem and an experts problem and is now beginning to be the people's problem -- if the Indian communities are capable of understanding it, as they have proven here that they do, then I think that the possibilities of this message and this struggle are great. That is precisely what we have done, to create the subjective conditions. If we can reach them and awaken their interest, then I think that there is no way we can lose this battle.

I think that we all need liberation, the peasants, Indians, blacks, whites, Mestizos, in all places. In one way or another we are all enslaved. Precisely what we have been discussing tonight is the broad and unitarian struggle that is going to lead our peoples to their liberation, in particular, the poor sectors of our countries.

We have talked about socialism. Let me tell you what I think. Only a socialist society can put an end to all these injustices and discrimination, as has occurred in our country. We found many forms of discrimination; discrimination against women; a prejudice against which we have been struggling for one-quarter of a century; and discrimination for reasons of race which existed in our country, introduced here by imperialism. I do not think that capitalism -- let us speak the truth, I am not campaigning here for any particular social system -- can solve these problems. Companeras, my answer is that only socialism can bring about full and total liberation to the Indian communities of Latin America. [applause]

[Moderator] Here is a companera from Brazil. You must identify yourself before you ask your question.

[Leticia] I am Leticia from Brazil. You said awhile ago that Brazil was a separate case because of its importance and because of its current political process. As we have already seen this afternoon from the companeros who took the stand, we all know much about the current situation in Brazil. As you can see, Brazil has the opportunity to seek Latin America's unity, which is so important because of Brazil's importance in the Latin American continent. I think that Brazil could upset the balance depending on the attitude it assumes, or consolidate Latin America's unity regarding the foreign debt issue. In other words, in Brazil we have to find out how are we going to lead this process to obtain Latin America's unity.

[Jaram] My name is Jaram, I would like to ask my question now, because it is related to what she just said. Commander Fidel, you also talked about cultural domination to which our news media is subjected by a daily consumption of the ideology of the U.S. system through films, series, and other things. Brazil is currently exporting its artistic production, novels, and television soap operas. I am worried about the possibility of becoming the new imperialists, which we have already been accused of by some sister countries.

I believe that we Brazilians do not want to be new imperialists. Moreover, we lack the conditions for that, because we are living in a poor country. Therefore, when we look at our situation from the viewpoint of our people, we become aware of it. We do want to contribute to the process of building a modern America. My question is: What is the difference, within the Brazilian context?

[Moderator] That question has little relationship with the previous one, but it was asked anyway.

[Castro] I want to clarify that when I said that it was another matter, I meant that Brazil is a world in itself. There can be a revolution in Brazil. That country has a vast territory, a large population, and great natural, economic, mineral, and agricultural resources; some technological development; and a very large domestic market. In sum, Brazil by itself, as a world within itself, has more possibilities than any small Central American country. Brazil's potential is not that of Grenada. Grenada is a small country with a population of 120,000 and an area of 400 sq km, has few resources, lives off tourism, and has its own currency. Yet that small country frightened the imperialists, and so they decided to annihilate it, to make an example of it. In a small [changes thought] of course, the imperialists exploited the revolutionaries' mistakes. The revolutionaries made terrible mistakes. However, that did not entitle the U.S. Government to invade, but it did anyway, using its airborne division, a paratrooper battalion. Sometimes talking with U.S. citizens, that is reporters and congressmen, I tell them you can engage in these kinds of adventures as long as you are dealing with small countries, such as El Salvador, Nicaragua, Santo Domingo [as heard], Grenada, even Cuba. But Cuba is a small country that has turned into a hedgehog [laughter] like a bacillus, something not easy to swallow. Despite its size, but [changes thought] greater than Grenada. Our population is 90 times that of Grenada's; more than 200, almost 300 times, Grenada's territory.

I am not going to compare us to Brazil. I would never end; I would need a computer [laughter] since it is between 15,000 to 20,000 times larger than Grenada. Brazil's population is 10 times, even 1,000 times larger than Grenada's. I told the U.S. citizens: You can do it, the day you face a problem of this nature with a country like Brazil -- not only Brazil, any medium-size country in South America -- you will have to forsake those adventures because I cannot believe it will cross your minds to send a little paratrooper battalion into an airport to resolve the problem. They tell me that no one can say that there will be a revolution in Brazil, but no one can say that there will be a revolution in Brazil, but no one can say that there will not be one someday. [applause] I have told them to forsake those practices and methods because one of these days you are going to run into such a large conflict that it will totally swallow you. I have reasoned with them, especially when discussing the topics relating to Central America and Nicaragua. I have tried to dissuade them from the mistake it would be to invade any of those small countries. Vladimir [not further identified] said that they were prepared to fight. If the U.S. Government intervenes in Nicaragua, a bone is going to get stuck in its throat. That is dangerous because the imperialist is large but it has a small throat. [laughter, applause]

When I think of Brazil, I say how large it is. It has many possibilities. It needs integration less than the smaller Latin American countries like Costa Rica, Nicaragua, Venezuela, Colombia, Ecuador, Peru, and Uruguay. Those countries need integration much more because they are small countries with relatively small populations and small areas. I said that integration was a must for Latin America; it is vital. For example, I mentioned Europe. That continent is very different from ours. First, they spent 5 centuries at war with each other. There are very diverse nations with very diverse origins: Latins, Saxons, Anglo-Saxons, Germanics, and Slavs. There are very different languages. It is not like here where all of us speak Spanish or Portuguese and we understand each other. Even speeches in French can almost be understood because it is a Latin language; as for English, well, we had to become accustomed [laughter] to listening to it and using it.

We have a large community of historic origins and cultures, an ethnic community; in summary, the language of the few useful things that we have derived from the conquest. We cannot renounce this language nor can we fabricate it. It is the one we use, and we understand each other. In other words, we have a lot of things in common, as the Europeans do not. Yet the Europeans have integrated themselves economically, because no European country conceives the possibility of survival without economic integration.

Then I ask, how can any government leader, statesman, citizen of Latin America who thinks of the economic possibilities in this land of giants, [changes thought] because the United States is a giant, as is the EEC, Japan, another economic giant, as well as in population, China is also a giant, the socialist countries of Europe are another giant. [sentence as heard] What are we? We are the little dwarfs among the giants, dwarfs among Gullivers, who are so big that they can step on us without realizing it and crush us. Therefore, we must form a community, an economic force. We also need to do so politically. However, it is impossible to achieve the development and economic survival of the Latin American countries without integration. Integration is so important that even Brazil -- it may not be so indispensable for Brazil to achieve integration because it is a vast country per se with a vast territory and a vast population -- needs the integration of Latin America. It needs relations with the Third World, because they do not lack possibilities.

Then I begin with the principle that economic integration is essential for all countries of Latin America and the Caribbean, including Brazil. Notwithstanding the objective reality of the size of its territory and the level of development attained, Brazil needs integration less than other countries, but it does have a great need for integration.

I can sincerely say that I do not see that the Brazilians have a Prussian mentality, a hegemonic mentality. I do not doubt that there are peoples who have dreams of grandeur, even of conquest, but nothing could be farther from the character and the spirit of the Brazilians than this Prussian warmongering, aggressive, expansionist thing. And really, I do not recall anything in Brazil's history since it came into existence that would reveal any apparent action to justify -- despite the fact that it has had governments of force for many years -- [changes thought] there is nothing in the tradition, in the history of Brazil that would justify fear on the part of the other Latin American countries of hegemonic feelings or attempts on the part of Brazil.

They have not had the privilege, as we have had in the past few years, to deal with a lot of Brazilians, to learn their character, their feelings, having had the privilege of dealing with Brazilian workers, laborers, and intellectuals who are all the men of the future of Brazil. I believe that Brazil will also have its future of workers, peasants, its revolutionary future. I do not think that the most remote justification exists for the fear that Brazil could develop expansionist and hegemonic feelings, which we have seen in the United States. Compare the history of Brazil, regardless of the governments it has had, with the history of the United States. We see that ever since the birth of that nation it conquered lands, purchased lands; it snatched half of Mexico's territory; it seized Puerto Rico, which is still a colonial enclave, a Yankee colony. It is a small country but has managed to maintain its nationalist identity and its culture with great dignity, great firmness. I think Puerto Rico and the people of Puerto Rico are an example of the vitality of our peoples.

Compare the history of the United States with the history of Brazil. The history of the United States is one of expansionism. When Marti talked, and he discussed it a lot, he never spoke of Brazilian expansionism or that Brazil could pose a threat to the peoples of Latin America. Yet he spoke a great deal and prophetically envisaged the great fear that the United States posed for the countries of Latin America. On the eve of his death he wrote that everything he had accomplished was aimed -- after Cuba's

independence -- at preventing the United States from coming down as another force on the peoples of Latin America. As an intimate confession hours before dying, he wrote a letter to a friend expressing what he thought. And that was one of his obsessions. But fortunately we have not witnessed that phenomenon. I think the mentality of the Brazilian, the character of the Brazilian is like that of the Venezuelan, the Colombian, the Cuban, and the Dominican, which is far from being hegemonic or expansionist. The historic conditions or factors have not been created that could determine the emergence of such a mentality. I think that such a mentality and such a possibility will not emerge. I also believe that Brazil is very important as part of Latin America. I think that for Brazil the rest of Latin America and the Caribbean are also very important.

When we speak of the economic integration of Latin America we also think of Latin America's economic integration including Brazil, Latin America, and the Caribbean. When we speak of the union of the peoples of Latin America and the Caribbean, we are speaking of the peoples of Latin America, the Caribbean and Brazil. I think that it is so indispensable for the rest, as the rest of us are indispensable to Brazil for its economic development, for its security. It should be the same. We constitute a territorial extension that is much larger than Europe. Well, I think that Argentina alone is almost the size of Western Europe. That is Argentina, now if you add Brazil, Mexico, and the other countries we are virtually 20 million sq km. The only thing is we owe about 17,000 per sq km. [laughter] And we also have to pay almost \$20,000 interest per sq km in the next 10 years. That is our common problem with Brazil. I believe we are in the same boat -- Brazil and Latin American -- and we will free ourselves together, we will save ourselves together and we will survive together or we will not survive at all. I think that I am expressing the feelings of our peoples and certainly that of the rest of the delegates here, because I have not heard any of them -- in fact I have still not heard anyone express fear of the expansionist hegemony of Brazil. I do not know if this answers both questions on the importance of Brazil's decisive role and the threat that it might become a hegemonic power.

[John Jain] Companero Commander, (John Jain) of Curacao. We of Curacao form part of the strip of Caribbean islands that are small ones, as you already mentioned, citing the situation of the island of Grenada, with microeconomies, and which some of us would regard as colonies of European power, such as the Netherlands and France. The situation of these Caribbean island territories affords them an important piece in the varied geopolitical differences existing in the region. You have just talked about expansionism. One doubt we have about the struggle for the political independence of our islands is exactly the fear that we have regarding the expansionism of neighboring countries, without mentioning names. Many times these islands have no importance for the bourgeoisie because they do not constitute potential sources of natural wealth nor do they represent potential markets for them. How do you view the situation of these islands, Commander, within the new international economic order and in view of the crisis situation as a result of the debts acquired by the islands, which as yet do not have these debts, because these debts are integrated within the colonial situation that exists in these islands

[Castro] I was asked a question not too long ago about the situation of the Caribbean islands. I replied that for the integration of the Caribbean islands, first of all, the integration of the islands themselves is vital. I believe that they need integration, not only among themselves, I am talking about economic integration. But I think it is still too early to begin to talk of political integration without first speaking of economic integration. I imagine that can do so. These islands are economically backward they live off of tourism. Then they are going to establish an industry. Then what industry do we establish; a textile industry. A textile industry needs minimum production. In the internal market, we can establish an industry of 20 million sq meters, 30 million; we have one

30 million sq meters. How can a country like Grenada, to cite an example, establish a \$20 million industry? It cannot establish such an industry, and there does not even exist an industry of 1 million sq meters of fabric

In other words, the size of the market permits many modern industries to have a technology requiring a given production capacity that is not economical. If we look at the electrical industry, for instance, a small electric plant of 1,000, 2,000 kilowatts can use up to 400 grams per kilowatt. An industry, such as the one we are building -- the latest one under construction -- one of 300,000 kilowatts, with a consumption of approximately 120 grams per kilowatt, the bigger the plant the lower the fuel consumption. The industries, according to a given production level, are much more economical than others. There is no cement plant in the world producing less than 200,000 tons. It would be impossible. We would have to have it made. We do not know what it would cost to set up a cement industry of 50,000 tons, or a sugar mill, which is something we know about. A sugar mill must have a given size or the cost of production is enormous.

An enormous investment is required to produce a sugar mill with a 10,000 ton capacity a sugar mill with a larger capacity will be much more economical and profitable. And these islands cannot be linked by land. There is no way to link it to aqueducts. There is no way to connect it to electrical lines. There is no way to connect an oil pipeline. Everything has to be transported by sea. We are familiar with this problem, because we are an island.

We envy the European socialist countries, which are linked to the major deposits of oil and gas by gas lines and oil pipelines and high voltage electrical lines. We look at the USSR, a country in which it can be 8 pm in one place, midnight in another place and daytime in still another place. The electrical lines, the electrical plants can be linked together, and they work throughout the entire day. As the day progresses, the electricity that is produced by the various electrical plants is passed along from east to west. These are advantages that a country like Cuba does not have. While our market might be a good one for a textile factory of 20, 30 or 40 million [unit not specified], or a cement factory of 1.6 million tons, like the ones we have, when it becomes a matter of Cuba producing trucks or buses or establishing a mechanical or electronics industry, it is impossible. The market is too small.

For example, who can establish a factory for making airplanes? Considering, first of all the domestic market, in a country with 10 million inhabitants like Cuba. To establish an airplane factory, it would be much better for Brazil to have a market of 400 million inhabitants than a market of 135 million inhabitants. However, to tell the truth, Brazil does not have a market of 135 million inhabitants; it has a market of 30 million inhabitants. The others are not part of the market. They have absolutely no influence on production.

How can a small island subsist and survive economically? Not Curacao, or Grenada, or Jamaica, [words indistinct] or Guadeloupe, but Santo Domingo [as heard], Haiti, Puerto Rico. Today, now that Puerto Rico is independent, what does the United States do? It tries to incorporate the Caribbean islands into its economy, promising investment. But, because the Puerto Rican model, the imperialist model, an investment of over \$20 billion in 15 years, is a country with large-scale unemployment, a country in which the majority of the inhabitants live on foodstamps. The model has failed.

Jamaica, where Reagan wanted to establish another Hong Kong or a Singapore, which someone said was also the plan for Panama, is a total failure. I believe that the future of all those people, those countries is economic integration, and in the more distant future, unity. I don't think that it makes any sense to anyone for a neighboring country to want to take over a tiny island. That would be equivalent to having someone ask us if we want to take over the Grand Cayman islands. [as heard] There are some islands south of Cuba that are called the Grand Cayman islands. It involves a large number of islands. We would have to be truly crazy to believe that there was any sense in aspiring to possess one of those islands.

I do not believe that our neighbors in ~~Curacao~~, who have so many natural resources and so much territory, have any need for this. I do not believe that a future government of the Venezuelan people, of the workers, of the peasants, could have the crazy, absurd idea of taking over the territory of any other country. I think that the future lies, not in extending borders, but in erasing them. [applause]

[Moderator] Our companion from Peru, next question.

[Castro interrupts] Wait just a second. I believe that we were going to talk more about the debt, and more about economic problems. I believe that some aspects have not yet been explored sufficiently, yet we are talking almost entirely about politics, and about political problems, some of which are very thorny. The meeting is being held to analyze the debt and problems related to it. That is what we think, although I am willing to answer the question. However, it would be a shame for us to leave here without having discussed certain matters related to the economy and the foreign debt in more depth.

[Unidentified Peruvian student] Commander Fidel Castro, I am a Peruvian and a member of the United Left [IU]. I know that you have already commented on my government's decision to allocate 10 percent of the value of exports to pay off the debt, but we have received a lot of questions from fellow participants from other countries who see these measures as an example, and we of the IU believe that this is mainly a political gesture. It is actually a means of gaining time, and no solutions are yet in sight. We believe that by discussing the foreign debt in those terms, one is merely acknowledging that it can be paid, which we think is a serious matter. We have made some estimates, which show that it is impossible to pay the debt in those terms. Since some time has passed since you last made a statement on the subject, I would like you to comment.

[Moderator] Does the other companero from Peru wish to say something about the foreign debt problem?

[Never] (Olmedo Auris Never), deputy secretary general of the SUTEP [Sole Trade Union of Education Workers]. Indeed, Companero Fidel, to add to the statement made by the companero, it is true that in our country, our delegation is part of the opposition to the present government. However, we have not had the opportunity to express our natural position regarding the famous thesis of our president, Alan Garcia. Apart from that situation, I would like to state the following: The sage Jose Carlos Mariategui taught us Peruvians -- and I think that this is a lesson for all Latin America and the Caribbean -- that a revolution is not an imitation or a copy: It is a heroic creation of the people. That is our belief. That is why, in our country today, the political problem is not basically linked to the problem of the foreign debt. To us, the problem goes beyond that, because, at this time -- and it is necessary to state this here on this platform and at this event -- Dr Alan Garcia is obviously repeating the thoughts of Victor Raul Haya de la Torre, [founder of the American Popular Revolutionary Alliance, APRA] whose position was different from that of Jose Carlos Mariategui. Haya da la Torre actually spoke of a unity of classes, of an alliance of classes, and in those circumstances, it is obvious that the perspective of APRA in the past and present is not a socialist perspective; it simply is bourgeois reformism.

Well then, we Peruvians, who are mainly members of the IU, and of the most important associations in our country, feel that the foreign debt problem is only a part of the problem confronting Peru and the Latin American countries. We know one thing very clearly. To us, the problem is to change the old order, the existing system of hunger and misery for the peoples, and we are going to struggle for a radical change in that system. However, beyond even this, the basic issue is to struggle at this time, to create, as you said, because to take any measure to create, to carry out an act of

struggle, one has to take two things into account: the objective aspect, which is obviously well known, and to us is old hat [podrida], and the subjective aspect, which is the task at this time. [sentence as heard] Specifically, Companero Fidel, I would like to hear your opinion of the famous 10 percent theory maintained by Dr Alan Garcia.

[Castro] Naturally, I should not, from my position [changes thought] it would be inappropriate for me to analyze the APRA, or that politician, that party, or that organization. However, I can speak about the foreign debt, about limiting payments to 10 percent of the country's exports.

I had the opportunity to discuss this during the continental meeting, during the closing session. It was not a dialogue, it was a speech. I studied that problem because I have meditated a lot about this problem of the foreign debt. I have analyzed it from different angles. I analyzed all the technical formulas that have been proposed. This topic is not new; someone had already proposed 20 percent. This was presented as one of the possibilities.

During an interview with EXCELSIOR I analyzed various possible solutions, including the solution of paying 20 percent, but limiting this 20 percent to current exports, so that if the exports increase, the payments would still be 20 percent of current exports. I analyzed all the possible solutions and proved that this would not solve the problem. Two hundred billion dollars would have been paid at the end of 20 years, but the debt would still be in excess of \$1 million, even under the assumption that interest is reduced to 6 percent or that the current interest rates are still being used. We have analyzed all the possible solutions -- four hypotheses -- and an enormous amount of money has to be spent in every hypothesis, but none will solve the problem.

Consequently, when someone proposed the 10 percent formula, I analyzed it from every possible angle. The proposal to limit payments to 10 percent is obviously a step forward concerning the current situation; it is indeed a step forward. Undoubtedly, the international banks and the U.S. imperialism dislike the idea of someone proposing the violation of these norms, of saying that he will limit his payments to 10 percent of his exports. That is why I use the same analysis for the 20 percent formula, and all the other technical and political formulas that have been proposed.

The analysis led to significant results; the computer we have here has analyzed them. During the continental meeting, I particularly asked them to make some analyses, to make some calculations on what would happen if the four different solutions were applied. [Words indistinct] One solution proposed paying 10 percent of the country's exports and, even if the exports surpassed the \$100 billion mark per year, \$100 billion would still be the limit. In other words, if the country exported \$200 billion or \$300 billion, it would still pay 10 percent of \$100 billion, not a single dollar more; the results are obvious. The countries would therefore owe \$200 billion in 20 years: in the end they would owe \$2 billion.

Unfortunately, the companeros who made the calculations at that time made a mistake. I have to correct a figure printed in one of these pamphlets because they gave me an amount in trillions -- \$2 trillion plus \$75,140 -- but when a much more calm calculation was made, we came up with another figure: \$1.878 trillion. That would be Latin America's debt in 20 years. In other words, the current debt would be multiplied five times in 20 years. By then you would be more mature men with a debt of almost \$2 trillion in Latin America. Imagine, you would have to meet to see what could be done concerning the debt. [crowd laughs] The figure is slightly smaller than the one included in the pamphlet, but it has already been corrected.

The second alternative was to pay 10 percent, without establishing a limit. In other words, if the figure was \$200,000 then the payment would be 10 percent of \$200,000.

Let us assume that the debt grew [corrects himself] that the exports grew 10 percent per year -- this fantastic thing has never been true -- during 20 years. To dream about this, under our present conditions and the international economy, would be wishful thinking. Anyone dreaming about this would be a person whom a Venezuelan aptly described as someone who has completely lost contact with reality. [crowd laughs] That could happen then? At the end of 20 years Latin America would have paid \$572 billion -- if the formula were to be applied -- and the debt would be \$1.198 billion. The debt would be \$1.198 billion, after paying \$572 billion. Well, it is really tragic.

Another alternative states that, instead of using the current interest rate, a 6 percent interest should be paid, with a limit of \$10 billion per year. We would again end up paying \$200 billion in interest, and still have a \$885 billion debt at the end of 20 years. That is, assuming a growth [changes thought] in other words, by limiting interest to 6 percent, and not paying more than \$10 billion per year, we would still pay \$200 billion and end up with a \$885 billion debt. Then I turned to the perfect alternative. It states that exports should increase 10 percent per year for 20 consecutive years. In other words, from \$100,000, or, from \$100,000 to \$110,000, and then 10 percent of \$110,000, and then 10 percent of \$121,000 -- a fantastic achievement. There would be a 6 percent interest rate, and 10 percent of all the exports would be used for the payments. This is the perfect solution; approximately \$427 billion, would have to be paid, and 20 years later the debt would still be \$100 billion more than the current debt. This is impossible, this would not be the solution. Mathematics indicate that this cannot be solved. Furthermore, the idea of paying with 10 percent is simply an idea, an analysis [words indistinct] because not a single word has been said about the interest and we do not know if the creditor banks will agree to allow countries to pay this 10 percent, in addition to reducing the interest to 6 percent. We still do not know if they will accept these two things.

You have to hear what the creditor banks are saying about the creditor nations [as heard], about paying off the debt with the 10 percent. In other words, we would have to wage a great battle only to achieve that. And then what would happen? All that I have already told you. The debt would simply become eternal. We would be paying a tribute to the empire for hundreds of years, according to estimates. We would have to pay the empire 10 percent of our exports forever. If we export 200 billion, we would be paying 20 billion yearly. Presently we are exporting 95 billion, that is, we exported that amount in 1984. If we export 300 billion, we would have to give the empire 30 billion every year forever. We would be substituting the famous tithing to the church to the empire. We would have to pay the empire the 10 percent forever. [applause]

Naturally, the interest would accumulate and would be turned into capital. The capital would begin earning interest, and the dependence would never end, and we would always be at the mercy of the creditors for the rest of our lives. This is what the 10 percent formula would involve. But there is no analysis, merely an idea, a statement, not a study of the problem. We would have to put up a great struggle to achieve this and for them to accept it. And if the creditors, if the imperialists, were willing to accept this, it is then better to strive for a formula to solve the problem. And that is what we are commending by erasing the debt altogether. The 10 percent formula could be applied to future debts, not to the present ones, which must be erased because they are a cancer. Mathematics behave like a cancer, because the doctors know that if they leave a piece of the cancer during an operation, the affected tissue will multiply immediately. And in this cancer of the debt, if you leave a piece of the affected tissue in the surgical operation, it will immediately multiply. And then within 20 years, instead of an X-size cancer, we will have a cancer 5 times X, or 4 times X, or 10 times X. It will multiply.

Therefore, it is necessary to remove the cancer altogether. We cannot leave a single cell because the cancer will multiply. This is my viewpoint based on mathematics, arithmetic, and realistic analysis, and on all formulas.

Now then, there are other connotations which in my opinion are of utmost importance, someone suggested. We have said the debt is unpayable from a political viewpoint, and to try to pay it is a political impossibility. This has been proven from what has happened everywhere. What happened in Santo Domingo, in Jamaica, which was mentioned here by somebody? What happened recently in Guatemala, what happened in Bolivia, and what is going to happen everywhere else? It is inconceivable that the governments of the democratic processes should call on the armed forces to repress the people in order to collect the debt, and kill the people as they did in Santo Domingo, because the IMF measures have already claimed over 100 lives in that country, and 400 have been wounded by gunshots, and tension in that country has become unbearable. We consider that the democratic processes actually ruin themselves if they try to apply such measures and collect the debt.

We say the debt is unpayable from the moral viewpoint, and I believe this is basically important. We ask to whom was the money loaned? How was that money invested? What happened in Argentina with the money they obtained through loans? Much of that money did not even arrive. It was spent in financial transactions outside the country, but they became a debt for the country. An important part of it was invested in arms, another important part was squandered and stolen and invested in luxurious, pharaonic mansions. What did the people receive? What development projects were carried out with it? Then, the money was either squandered, or stolen. With what moral force can anyone collect that debt from the people?

Here is another thing. Who approved those debts, who contracted them? In many cases, it is the de facto governments, resulting from coups d'etat, most of them reactionary dictatorships which are responsible for this debt. And in those cases not involving de facto, dictatorial regimes, it was governments which did not consult with their parliaments. The debts were contracted by the executive branch, or the minister of finance. Often, it was not even a public official, but a millionaire. An industrialist would contract a debt with foreign banks and later the government would assume the debt. In such cases, neither the executive nor the legislative branches intervened. The parliaments, which according to constitutional principles are the only ones empowered to contract such commitments, were not even consulted.

Thus, parliament does not intervene at all. A millionaire mortgaged the country, sold the country; an official sold the country. The people did not intervene at all, even in those cases in which the debts were contracted by other than the de facto governments. Much of that money left the country. At least \$170 billion was taken out of Latin America during these years. In countries such as Venezuela, for every dollar that entered the country in the form of a loan, over \$1.20 was taken out and deposited with foreign powers. What moral basis can there be for collecting this debt from the people now?

There is the example of a father with a 5-year-old son and he borrows \$1,000 to gamble at a casino. It would be absurd to collect the \$1,000 from his 5-year-old child. It would be absurd to collect from him that debt of \$1,000 which the father borrowed. [applause]

The debt was contracted in violation of legal and constitutional principles. There is another problem. What are the causes of this debt? What are the causes of underdevelopment? Several persons here have explained there is no such debt. The Chilean companion from the Humanist Party said the debt does not exist for him. It is not a matter of moratorium, or anything else. He just plainly disregards the debt completely.

I agree with him, but we have to argue over why we must disregard it. It is correct to disregard it, but we must show with solid and moral arguments why we must disregard it, and the masses must be able to understand why.

In both meetings there have been speakers who are religious persons, and they have said the debt is immoral. Many church representatives from the Christian, Evangelical, and Catholic churches have spoken here. All of them have said the debt is immoral because of its background, the way it is loaned, from whom it comes; money that is used for repression, money that is used for corruption. I must admit that some of the money was invested in development. Some factories were built, some important structures were built. Sometimes the funds were used to balance payments, some were used for the increased oil prices; this is true, but this is a very small part of that money.

However, most of the funds were embezzled, misused, lost, spent, left the country. Not just left the country, but still leaving the country. Ten billion dollars leave Latin America every year. This is the responsibility of the bourgeoisie. Let us see what measures they will adopt to halt this capital flight. Upon examination, one finds profound arguments in the ethical sense, that it is not only unjust, but it is immoral to demand payment of this debt from peoples who have nothing to do with it. The people are not even aware of what this is all about. The debt will be collected from the workers, the peasants, the Indians; perhaps these people are not even aware of what this debt is all about. Thus, this issue cannot even stand up to an ethical analysis.

There is another argument, a legal argument, we might say, and that is force majeure. I just will not pay you, because I cannot pay you. It is similar to trying to sell a house, and then the house burns down before the contract is signed. Then he tells the other one the house no longer exists. The law provides for all of these cases which are called force majeure, or as Lopez Michelsen said in a previous meeting, it is impossible to meet payments.

Well then, to limit payments to 10 percent is only one reason. It is impossible to meet payments. There is no historical, moral, or ethical value why our countries should have to make payments. After all, our countries financed with their bloodshed, sweat, and lives the Western countries -- the United States -- financed them with millions of Indians who died working in the mines. There were millions of slaves brought from Africa who worked hard in order for the United States to accumulate its wealth. This historic reality is being ignored. A formula such as the one proposing the 10 percent [on exports] ignores historic reality. The truth is that we owe nothing to the former colonial and neocolonial superpowers. The debt is just. It must be paid. It is a moral obligation to pay the debt. The debt is moral. [as heard] I believe that what makes our proposal stronger is the ethical justification, the historic justification. If we wage a battle without justification, we will lose it. I think it is very strong to say this debt must be paid. It is impossible from a political, moral, and legal point of view. Besides, it is impossible. Another reason could be given. But to wage the battle with the only reason that I just simply cannot do it; this requires no effort and it would weaken very much the position of the Third World and the Latin American countries.

With this I am answering Clarita [not further identified] when she wondered if perhaps this would be a better way to solve things. But I believe that defending this formula does not replace the other more powerful arguments. When one is going to defend a cause, one has to defend it with powerful arguments, and not with just simple arguments, such as I will not pay you more because I just simply cannot do it. This weakens your cause. I think we must have a just cause, and it is a just cause because we can show the justice of this cause, the morality, the strength of this cause. If I am to wage a battle for someone who is not solving anything and who had a watchword that does not unite anyone, a watchword that renounces the moral, ethical, historical arguments, then we are going to be struggling in vain. We are going to lose the battle.

There is the other point of view: If you wish to win the battle, if you want to win the masses, you must have a watchword that will unite, that will have a powerful ethical, moral, political, historical component. That is the second group of reasons in which I believe.

The first group of reasons are mathematical. They do not solve anything. The second set of reasons are political and ethical which are very solid and very worthy of being taken into consideration. However, I understand that there is a formula that already is of concern to the imperialists and which violates, in a certain manner, the principles ruling all these international financial relations. And if we are going to violate these relations, we are going to tear them apart, we are going to shred these financial formulas and relations. I think this is what really gives us strength to wage this battle.

To this effect, may I add the following: Yesterday Carlos Rafael [presumably Rodriguez] told me that THE WALL STREET JOURNAL -- I do not speak English very well -- published an article. That newspaper is the newspaper of the U.S. financial circles. It was astonishing, said Carlos Rafael. I asked that the article be translated quickly. The article in the newspaper said: Beware of the sos of the Third World finances. I am not going to read it all, but it says: When Mr Castro hosted the foreign debt meeting which opened on 30 July in the new Conventions Palace of Havana, it could not be said that he attracted the respectful attention of the bankers, the politicians, and even the newsmen of the First World. It was easy to shut one's ears, because Mr Castro -- at least in the United States -- is the oldest villain of the political drama and all of his words are filled with venom. However, to shut one's ears to what was said in Havana 6 weeks ago is as foolish as the captain of the Titanic refusing to admit there were icebergs south of Newfoundland in mid-April.

The wise First World officials should listen to what he has to say, which is very simple. This is the newspaper of the U.S. financiers saying this. Seeing is believing. [laughter] Although there is a certain logic to that -- seeing is believing. [applause] He continues, saying it is inconceivable that the Third World debtors may be able to pay their loans. With each convulsive movement they sink deeper into the quagmire. They ask for more money to cover the service of the existing loans, thus increasing their debt on interest and their future costs. We should have invited this man to participate in this event. [applause]

As the years pass, the debt becomes more astronomic. That is what we have been saying all along. [applause] At the present, it amounts to approximately 800 billion the world over -- it is a little more. [laughter] Nearly half of it in Central and South America, and soon it will reach 1 trillion.

There are two strategies to bring it to a halt: the Peruvian solution, which consists in limiting the reimbursement of the debt to a certain percentage of export revenues, which means that the accumulative debt increases even more. Or the IMF option, which consists in pressuring the debtor nations to achieve a surplus in their exports. To understand the senselessness of this formula, suffice it to remember Western Europe after World War II. Let us suppose that the Marshall Plan should have been organized by the commanders now in the IMF. Those exhausted, indebted nations would have been forced to make greater sacrifices. Instead of the aid that rebuilt their economies, helped the United States, and contributed to encouraging the great post-war boom, the measures the IMF demands today would have meant a continuity of the horrors of war through other means, disaffection of Europe, and a huge economic contraction. This is what this newspaper of the U.S. financiers is saying.

It continues -- amazingly -- that the only response as proclaimed by Mr Castro is to call off the debt and start anew with productive credits -- not merely a refinancing of the debt service -- which would ensure a stable situation and the flow of surpluses from the developed world into the developing nations. It continues its analysis and adopts some of the arguments we posed at the meeting. We have tried to send an advanced message to all sectors of the Third World nations, to the workers of the industrialized nations, to the bank depositors, to the industrialists of those countries. We have said that all this is plain madness -- to spend so much money on arms which could lead to war. We do not want the banks to go bankrupt. We do not want the taxpayers to pay new taxes. Ours is a message to the workers, to the taxpayers, that is, not the workers, but the depositors. A message to the workers is that there will be more employment, because if the Third World can count on \$300 or \$400 billion more a year, it will purchase more, jobs will increase in those countries. And they will be momentarily helped to come out of their crisis. It would alleviate their problems, also. We repeat, we do not want the banks to close down. On the contrary, we want them to stay open and to lend us money again, because with a new order, we could obtain loans and pay them.

We tell them the depositors will not lose their money. We do not want them to lose their money. We are not recommending new taxes, but that the money for military expenditures -- which is a mad, absurd, and astronomical sum -- be reduced and the savings derived thereof be used to solve the problem of the debt without having to close the banks and to proceed to establish the new international economic order. That is what we are recommending.

This may mean that capitalism may live 10, 20, or 30 more years, but in exchange for what? The capitalists might obtain a momentary advantage from this, but this should not keep us awake. What keeps us awake is the fear of war.

Even though our peoples may be more and more dependent, there are no existing conditions for the development of our countries, for their social progress, or to alleviate the dire needs of millions of human beings -- and statistics show large numbers of sick, undernourished children; large numbers of persons born with physical and mental impairments due to malnutrition problems; and many millions of persons who starve to death every year.

I believe this message extends not only to our world, but also to the imperialist nations. To me, this is the explanation of the problem.

Over the years, there have been some sensible voices heard in the United States. It was Robert Beston, chief of Latin American studies for the impeccable conservative Hoover Institution, who told CAMPUS REPORT of Stanford University a couple of years ago that old loans granted for unproductive purposes cannot be reimbursed unless a debt-related slavery is implemented, which in modern times is unacceptable. The debt must be considered unpayable and should be cancelled. Thus, the wisest thing for the United States to do is to negotiate a cancellation, they claim he said. The United States cannot prosper by itself, without regard to the odyssey of its clients and customers.

Professor Beston continued to say that the U.S. Government was partly responsible for encouraging the loans and, therefore, should accept part of the losses, and that all the banks will obviously have to agree on a plan. It would be useless for the United States to accept a moratorium or cancellation of the debt if the Europeans do not do the same. Professor Beston also admitted that the bankers will do anything to postpone admitting the truth. They want to continue sponging off their debtors while pressuring them to earn more and spend less dollars despite the social or political cost.

When a Fidel Castro and a member of the Hoover Institute agree from different advantageous positions in that the Titanic is surrounded by icebergs [preceding word in English] but that a safe course can be set, then you should expect that those handling the wheel will pay attention and take the correct course -- beginning with the IMF and World Bank meeting to be held early next month. And if we begin to see that more than one, within the ranks of the enemy, begin to accept the idea of the cancellation, then why give up the idea? I think this should be very interesting for the companero, I believe it was Juan Carlos Claudio Reyes, the Chilean companero who spoke and expressed his fears as to whether it was possible to achieve this. I feel that this article just published in the magazine of the international financiers shows that we are marching and that it is possible and up to us to achieve these results.

I want to tell you that the situation continues to get worse, and we continue to say that it is getting worse. At this moment the situation is worse, and I think that something else has come up in these past few days. It came up while we were meeting here, or when we were going to begin the meeting. Here I have an AFP dispatch datelined Washington, not PRENSA LATINA, no, AFP. It states: According to U.S. economists, the forerunners of the worsening of the crisis of the foreign debt increased in the past few weeks in Latin America. Meanwhile, the U.S. Government, the financial organizations, and the banks give no sign of changing their orthodox strategy toward the debt implemented 3 years ago when the crisis broke. This orthodox strategy calls for the debtor countries to pay the interest on their debts while they refinance the capital. On Tuesday Mexican President Miguel de la Madrid issued a serious warning to the international financial community, urging them to seek new ways to handle the Latin American debtors if they wish to prevent a new and imminent worsening of the debt crisis.

Similar appeals previously made by the debtor governments gathered in the Cartagena Consensus were ignored by the creditors. But now Latin American exports -- which had multiplied last year -- have dropped, according to the IMF, by 14.6 percent in the first 3 months of 1985 due to the stagnant recovery in the industrialized world; listen closely, to the stagnant recovery in the industrialized world and to the drop in the prices of raw materials.

The case of Mexico is particularly illustrative of the new situation, since that country was mentioned early this year by the international financial community as an example of the success of the orthodox strategy because it had been able to place its affairs in order and meet its interest payments. Furthermore, the article adds that all that was changed. During the first 7 months of 1985, the Mexican surplus dropped 47 percent as compared to the same period in 1984. Its favorable trade balance was reduced by 47 percent. This was accompanied by a devaluation of 200 to 350 pesos per dollar, and an increase in inflation, the flight of capital, a reduction of imports, and domestic deficits. To top it all off, the price of fuel -- the main Mexican export product -- is dropping.

With the difficulties of the two biggest debtors of the world -- Mexico and Brazil -- combined with the problems of the minor countries, such as the Dominican Republic, Jamaica, and Panama, we return to our pessimism over the debt, it says. In the United States, several bankers and economists have begun to worry over Washington's passiveness over the deterioration of the debt situation. A government official, quoted by THE MIAMI HERALD, indicated that in the 3 years of crisis, President Ronald Reagan dedicated only 1 hour to the issue -- in 1983 -- before assuming the leadership of economic summit of the industrialized nations at Williamsburg, Virginia, where he received a detailed report to that effect. The U.S. President dedicated to this catastrophe, to all these calamities, only 1 hour in 1983.

This shows that the problem continues to worsen, and confirms all the things we have been commenting on here. And there is something else. Last year the U.S. economy grew by 6.8 percent. In the first quarter of this year, it grew by 1 percent, and it is expected that by the end of the year, it will have grown only 2 percent. Thus, the powerful engine that was to bolster the world economy has begun to cough and may stop completely. [applause] And according to all indications, that engine will not work.

There is more to this, there are other symptoms, other information. For example, the U.S. internal debt is increasing. Another recent dispatch states that they asked Congress for authorization to increase the maximum limit of the internal debt from 1.8 billion, rather trillion, depending on how you wish to call it, that is 1.8 million million to 2.08 million of million. Without this, they would not have enough money to do all these crazy things.

The internal debt before the Reagan administration took over, when he took over, did not reach the trillions. Next year, after only 5 and 1/2 years in office, that debt will be greater than 2 trillion. This means that U.S. citizens today are paying \$650 each year in taxes as a result of this debt. Reportedly, in 1990, each U.S. citizen will be paying \$1,000 a year as a result of this debt. Reagan takes money from us to pay for his warmongering adventures, constructing battleships, aircraft carriers, and preparing star wars, and all manner of madness. Where does the money for all this come from? (Probably, among other places) from our countries. They do not have that money, they do not collect enough money internally. And while the IMF pressures Third World countries, schools are being closed and teachers and doctors are being left unemployed, are reducing [words indistinct] and reduce their deficits. Meanwhile, the United States maintains an astronomical budget deficit of more than \$200 billion and nobody says anything about this.

There has been an increase in interest rates and an overvaluation of the dollar due to all these monetary manipulations and all these evil methods applied to solve their problems. We are paying for their arms race. However, there are repercussions for the United States. This must be explained to the U.S. people. I myself will explain this to them. There is some literature circulating and some more about to come out this week, right there in the United States on the consequences of this on their people.

Well, the U.S. foreign debt has reached \$200 billion and it is estimated that at the current trend, it will reach \$1 trillion in 1990. All this madness of the United States is leading to an enormous accumulation of internal and foreign debt. I ask: What is all this for?

Seeking universal domination, it will seek to resolve this crisis with atomic weapons. What do they want that enormous quantity of atomic weapons for? What do they want that military supremacy for?

Meanwhile, the budget deficit is growing and the economy is at a standstill. It will be over \$200 billion this year; it could reach \$210, 215, or 220 billion. Last year's trade deficit reached \$122 billion, and apparently, it will be \$150 billion this year. It continues to worsen.

The United States is spending almost \$300 billion that it does not produce. Where does that money come from? What repercussions will this have on the U.S. economy and the rest of the world? The Japanese have a great policy: They develop technology and compete with the United States. Between 1981 and 1984 labor productivity in the United States grew by 3.5 percent; in Japan it grew by 9.5 percent. How can they possibly compete with the Japanese, who instead of investing money in aircraft carriers are investing in technology and are competing in the United States?

And what else is taking place? Well, the Japanese are buying out the world, because they have plenty of spare money thanks to their exports to the United States. In 1984 Japan invested \$50 billion abroad; it invested almost \$100 billion in the past 3 years, but \$50 billion in the past year. It is expected that by the end of 1985 Japan will become the largest investor abroad among all countries. It will be ahead of the United States and England. Among other things, Japan is buying out the United States; it is already the owner of 400 large industries. On the one hand, they invest in technology and compete. And while they are telling Latin American countries to import less and export more, as someone said here, we ask: Where will they export the 400 proposals for protectionist measures presented in the U.S. Congress? That is 400 of them; there has never before been such a wave of proposals for protectionist measures in the United States, never.

This shows you the inequality and discriminatory nature of the measures being imposed on us. They tell everyone: You must export everything. But we ask, who can we export to? Should we produce more coffee, cocoa, sugar, and meat to sell at cheaper prices? Or shall we produce nontraditional articles to compete with whom? With Japan? and RCA; with refrigerators, televisions, and with technical equipment? Who will we compete with?

All this is absurd and mad. I believe and I am sure that our companerita from Los Andes understands this perfectly well; one need not be an economist to understand this problem. It is evident that we must let people know about this. I have to do this myself; they are beginning to understand part of this problem.

The European economy, which barely increased by 2 percent last year, is not increasing any more than 2 percent this year. Everything seems to indicate that the world economy is about to fall into a new recession. Many things have happened. These are realities. I thank the Peruvians for allowing me to explain the problem of what the situation is and how we view it. The problem tends to worsen. The snowball will grow. Look, although I know many of you want to ask questions, I am in no hurry; but you might all fall asleep. [laughter] It would not be a bad idea, because Clarita had some doubts. I have tried to explain some. I think we should give Clarita the floor so she can ask the things which interest her. [applause] Ask me, Clarita, ask me what you want so I can answer you. Ask me everything Cuba does and what it thinks. I will answer with pleasure. Sit here, close to me.

[Clara Lopez] Thank you, President Castro. This is an honor I never imagined. As I said yesterday, I would like to ask you to comment on and explain the operation of the new international economic order that Cuba has proposed with the socialist countries, and if during the 20 years following the revolution relations with those countries have improved, remained the same, or deteriorated with those countries? As we Colombians have joined the international coffee agreement, we also support the socialist countries, but we have been selling at lower prices outside the agreement provisions. Could this type of policy be changed in the future? Could the nonpayment of the debt have any repercussions among the socialist countries and thus lead to a generalization of a blockade of the capitalist countries? Could this create some sort of a crutch, which is very necessary, with the socialist world? In this regard, what would be the socialist world's capacity for solving this problem and carrying this burden for the Third World? I would like to thank you, Mr President, for the great honor you have given me. Thank you. [applause]

[Castro] Clarita, you asked me something this afternoon and you know that [words indistinct] if we have any complaints concerning the debt. Have you forgotten anything?

[Clara Lopez] Yes, I left out the most important one. Cuba has a complaint concerning the Latin American debt. Would Cuba apply this to its own foreign debt?

[Castro] It is the same complaint; we have the same complaint.

[Clara Lopez] No, I understand it is not the same complaint that would be applied....

[Castro -- interrupting] That would be applied. I think it is very important....

[Clara Lopez -- interrupting] In the analysis....

[Castro -- interrupting] Behind all this is the argument which is being used; we are renegotiating the debt. That is the argument they are using, and I think it is advisable if we talk about that also. Don't you think so?

[Clara Lopez] Yes.

[Castro] I understood something, and I think some companero, I think it was Didimo, the Panamanian, or was it a Venezuelan? One of the two argued that we should not pay, that it was insane, that Castro was the best paying customer, and so forth. I think it is important to discuss this. That is what the enemy is saying, and we must be informed of what we are going to do, how we think, how we handle all this.

[Clara Lopez] This argument is heard very much in Colombia.

[Castro] Thank you. Cuba is a good paying customer. [laughter; applause] We have good exchange with the USSR. We have good relations with the socialist countries now and these ties were not made over night. Our trade relations with the socialist countries resulted after the U.S. aggressions and blockade when they took away our petroleum supply and our sugar quota and adopted measures that sought to kill us -- a country that had developed an economic relation with the United States for 100 years, even before its independence. We supplied them with sugar, tobacco, a long list of products. Suddenly, the market is cut off. It withdrew the quota, and then we received a price slightly better than the world market price. We were suddenly deprived of our fuel, raw material, equipment, food, medicine, everything. That is how our relations with the socialist countries began.

We had had relations with them before because we had a sugar surplus and we wanted the socialist countries to buy some of our sugar. However, we had 500,000 tons of sugar. We sold most of our sugar to the United States and the world market. Then the United States took away our quota of nearly 3.5 million tons. Where were we going to place that sugar? At that time, the socialist countries did not have the degree of development they now have, naturally. I want you to know that at that time we consumed 4.5 million tons of petroleum, but the USSR barely produced 100 tons, practically one-fifth of what it produces now. I think we received very important support because we were ready and willing to fight and die, just like the Nicaraguans and the Salvadorans are ready to do. We were not going to give up.

But we would have to see how all this ended. We probably would have ended up dead. Or perhaps we would not have been able to do what we have done concerning markets, fuels. Maybe we would still be riding horses as a means of transportation, and using candles or torches to see in the dark.

The solidarity of the socialist countries, particularly that of the Soviet Union which has the highest economic resources, was a decisive factor for us. Then they started buying our sugar and supplying us with petroleum at world market prices, and with raw

materials and food, and they granted us some loans. This is how our relations started. These gradually developed, increasing according to petroleum consumption. Our needs then increased. Then, during a certain period, our relations with them were based on the world market prices. Then, reality was something else. It was impossible to develop the country based on world market prices. They gave us credit and we started to receive better prices. At that time, when the world market was at about 3.5 centavos, 4 centavos, we received 6 centavos.

However, guess what we discovered at that time? There was the law on unequal trade. A 5-year plan began, and our sugar was worth 6 centavos. The products we were buying from the socialist countries were based on the world market. We then found out that while our sugar was worth 6 centavos for 6 years, the articles we were importing were increasing in price every year because these were the world market prices that ruled the socialist countries' foreign trade. They sold and purchased at world market prices. That is how we started to advance. In the first place, we obtained a preferential price, as a developing country. That is the type of relationship that should exist between a developed socialist country and a developing socialist country. We have defended that principle for the socialist countries of the Third World, for example Mongolia, Vietnam, and other CEMA countries. We have defended this principle, and it has been applied.

Then a balanced price was established. A certain price was established for sugar. And since this was the main export product, if the prices of imported products increased, then the price of our export product -- sugar -- increased. Thus, even before the energy crisis, we had obtained a reasonable, satisfactory price. We had obtained 19 centavos per pound of sugar. That was a profitable price for us, a satisfactory price, and it was a balanced price. If the prices of the merchandise we imported increased, we increased the price of our sugar. This happened before the petroleum crisis. One of our main import products was petroleum. Then our consumption increased tremendously and prices soared. By virtue of the clause that protected us, we were guaranteed the purchasing power of our sugar. We applied that same concept to our main export products with the USSR and the socialist countries, in other words, with the USSR and the developed socialist countries. This is not the case with Vietnam, Mongolia, Laos, Kampuchea, and other countries of the Third World that are less developed than we are. We received many benefits from the solidarity of the developed socialist countries, and in turn we offered this solidarity to other countries according to our possibilities.

For example, we have over 1,500 doctors working abroad, most of them working free of charge. We cooperate in this respect with over 30 countries. We have scholarship students here in Cuba from over 80 countries. We have over 22,000 students here on scholarship, and all that is free. On one hand, we receive solidarity, and on the other, we apply solidarity.

However, with the developed socialist countries, we have achieved this new international economic order. We have just, satisfactory, profitable prices for our products which are also protected from the unequal trade trend with regard to the increasing prices on the world market. This means that our sugar, nickel, citrus fruits, and our exports to the developed socialist world have a large purchasing power. This gives us a considerable revenue which improves our economy.

However, we also contracted debts. We had a similar problem, and we had to start paying these debts. We discussed that, and we decided to apply the following principle: to postpone payment of the debt for a long period -- 10, 15, or 20 years -- without paying any interest. I think this is a magnificent principle to apply in relations between the Third World and the developed capitalist countries. They should say: Payments are postponed for 15 years, in theory. At the end of 10 or 15 years,

this has to be postponed for another 10, 15, or 20 years, without ever adding any interest. Then, this is clearly a matter of principle. This is clearly understood. This is the way it has been.

With the socialist countries, the formula is not the same with all of them. With other countries, we have a certain price, which is satisfactory for our products, and they maintain a stable price for the products we import, that is, they maintain a fixed price. There are fixed, stable prices for our export and import products. They give us all the conditions and rates so we can plan our economy, and they allow us -- in the midst of this huge crisis -- to increase our economy's growth by 6.8 percent, which was the case last year. This year it is growing approximately by 5 percent. We can guarantee conditions for stable development, despite this huge crisis.

This helps us in our education, health, culture, housing construction, sports, and development budgets. Last year we invested 4 billion pesos, equivalent to the dollar. We have an investment and development plan, and I think we have created the conditions for an economic development program. Those are our achievements, our successes in the struggle for a new international economic order between the developed socialist countries and ourselves. What we propose is to apply these principles throughout the world.

When we speak of a new international economic order, and to begin with when we speak of paying debts, we should erase them from our minds, or leave them to the history books, if that is what they want. [laughter; applause] This is applicable to all of the developed countries and all debts, those of the Third World countries with capitalist countries, as well as with socialist countries. When we discuss payments we refer to all countries. When we discuss disarmament and the reduction of military expenses, it is equal for all countries. As we know perfectly well that the socialist countries are not interested in the madness of the arms race, or the arms involved.

A socialist country knows what to do with money and how many homes, schools, theaters, or recreation fields they can construct. Why spend the money on fortifications, tanks, cannons, and airplanes? Capitalist economies are designed for any type of business, and the best business for capitalism is weapons. The socialist economies are designed for planned investments. They have no reason to throw money away. I could say how much we have spent on defense, forced by the United States to build fortifications. How many children's centers we could have created every year, how many schools, homes, so many things. If we were at peace we would cease to construct fortifications -- real and not false peace -- because those who err in this do not survive. [laughter, applause] There are so many things we want to do. We want to do all kinds of things: sports fields, schools, sports complexes, housing, art schools, theater, all types of things. Aquariums, we have an aquarium, the poor thing is very old, we have plans ~~we~~ are trying to fulfill them. For the past 15 years we have been working on a new zoo, we have done this patiently and with a great deal of volunteer work. This is how we have done many things. We know what we can do with money.

Those of us who have planned economies try to ration our resources; this does not mean that we use our resources to perfection. We are far from that. However, we try to make the best of our resources and nothing prevents this except our limitations and capabilities of administration. It is not a system; the system helps us. If we only were capable of using all of our resources to their fullest; this is what we are trying to do. However, you can see how our budget grows year after year (?in every sector, for culture). Someone spoke here who said that -- I believe he was French or Dominican -- a French writer Monroe said that art or culture is the poor relative of capitalism. Nevertheless, if socialism is not careful, it will be the poor relative of culture. [laughter] I can say that in 1984 [applause] the culture budget not only grew by 24 percent in 3 years, but at this time culture expenses have grown to

70 percent. I had to protest at the National Assembly and tell them to hold up a little and to spend less on culture or the socialist state would be ruined. [laughter] So that all of you can not only see how development investments have grown year by year during these past years but also education, culture, sports, and public health investments; yesterday you saw the experiment. [sentence as heard] We are not the only country with this system. Other socialist countries also have it. Of course capitalist countries cannot have this because they have family doctors. In the next 15 years we will have 20,000 new doctors of the 50,000 students who will graduate because we do not have unemployed doctors or teachers; every year we graduate more students. In these years of revolution we have graduated almost 300,000 students, and we have 256,000 employed. Many teachers have helped us with our mass organizations, parties, the state, and they are highly qualified people.

We have had 256,000 professors and teachers in our country, and we have a reserve that can be put to work or to study at a higher level. We will do the same with the doctors. After we have 65,000 we will graduate 10,000 more as reserves so that every 7 years the doctors can have a 1-year sabbatical. We do not have excess people, but when it looks as if there is a surplus, we put them to work, and those who work for 5, 6, or 7 years receive a whole year to study and improve themselves. Socialism has all of these possibilities, and this is what we are doing in the midst of this crisis. Of course, we could not do this without the new economic order which we have established with the socialist countries.

This is why I was explaining to the companero that despite our deep revolution, nationalizing everything, and we socialize everything, even if there is no oil, investments, or resources we will advance. I believe we could even go back to primitive communism, which I believe is better than capitalism. [laughter, applause] There are some who to excuse themselves from applying socialism say they do not want to share poverty. Of course, this is very logical. They share poverty among the masses, and a privileged minority receives no poverty. They have all their income, privileges, and expenses ensured. They do not face hunger, sickness, or need medicines. To this I say: It is more just to share poverty than to leave it to the immense majority of the population, exploiting them to give privileges to a minority of the population. I have heard some here who say they do not want to share poverty. I would advocate sharing poverty among all of us. This is why I say that without this new order, perhaps our socialism would have ended up as primitive communism. However, I repeat, that it existed and we prefer it. We understand very well what underdevelopment and conditions of development mean because if there is no development how can we sustain 75,000 doctors? How could we have 256,000 teachers without an increase in production and productivity? We could not (?release) teachers; we would have to have everyone cutting cane if we had no sugar cane combines. There would be no development without increased production and productivity.

I think this new order we have established helps a lot in reaching our goals. This new order is precisely what we are proposing, that is, new relations between the developed and underdeveloped countries, in other words, between the developed world and the underdeveloped countries, not the developing countries, as it is euphemistically said at the United Nations. We are underdeveloped countries. When one compares the per capita income of Colombia with that of Sweden, Denmark, Norway, England, France, the FRG, Japan, the United States, and so forth, you will see that the distance between your income and theirs is greater all the time. The same happens to the Cubans and everyone else, even the Venezuelans who have petroleum and great resources.

This is how we can explain this exchange. I believe that with this new economic order, we would have to establish obligations concerning all products, for all the capitalist and socialist countries on an equal basis. One cannot ask the socialist countries who are having their own problems and struggling with certain difficulties to enforce a

policy when they do not have resources. It simply does not work out. Perhaps, they could do it with a few countries. However, the resources are not exaggerated. They also have their needs. I think that the same policy that is applied to us should also be applied at least to all the socialist countries of the Third World, of CEMA, that is, within the socialist sphere. However, when we propose a new international economic order, we are proposing universal principles for everyone. When we talk about canceling, erasing the debt from memory, we are going to erase all debts from memory, the debts of the Third World countries, regardless of who are the creditors, as long as they are developed countries. That is the principle we defend.

I believe the socialist countries have a certain capacity for helping one, two, or three countries that are blockaded. If as a result of desperation some countries were forced to do this, they should be helped. That is how I feel. I do not decide this for the socialist countries, but I know them well. I am completely convinced they would support any country that was in a difficult situation as a result of having taken a step out of despair. Some countries have taken the wrong step, such as Bolivia, but it has a small debt; it does not have any influence. I do not wish to mention any countries, because there are a few that have taken the step and they are going to have a big squabble. I swear. [Castro laughs] I am sure. [applause] I am sure they would have the support of the socialist countries, of the entire Third World, and of even many capitalist countries.

The United States can establish its blockade, but I doubt it will do so. That is my opinion. I doubt it because the situation is so critical that it is affecting over 100 countries. It is affecting entire continents. To adopt measures such as imposing a blockade on a country because it is suspending payments, because despair forces it to do so, is like putting out a fire with gasoline. It will only spread the fire. I am sure what they would do would be to negotiate quickly, trying to put out the fire in another way and not through coercive measures.

This is no longer a matter for just Cuba alone. Socialism is such a horrible thing, such a diabolic thing. It has committed such a big sin and therefore it deserves excommunication, hell, and so on. Therefore, all of those measures must be adopted. But this happens to a country which is not socialist, nor has it proclaimed socialism, or let us say, it has just proclaimed nonpayment of the debt out of despair rather than doing it quietly. This is not what we are proposing. We are proposing a common action by all the countries. Now, I also think that perhaps it might be too difficult to reach this action, reach this consensus. This crisis which is affecting so many countries might force two or three countries to adopt this measure out of despair and unleash a mechanism of international solidarity, for which we have been working, forecasting that this might happen. We have been in contact with countries from Asia, Africa, many countries. We have the idea that someone might start this. But if someone jumps in alone, I think they will negotiate quickly rather than adopt measures trying to put out the fire and not pour gasoline on it.

Nevertheless, I believe that a small percentage of countries that might be the target of a blockade and that imperialism might be so stupid as to impose a blockade on them -- we must always allow for the stupidities of the imperialists and sometimes this stupidity is good because it helps to defeat imperialism itself -- would unleash such a show of solidarity that it would make the solidarity over the Malvinas issue look like child's play. The Malvinas issue had emotional and moral reasons. However, this is now a matter of life or death. The Third World has enough instincts to not abandon anyone.

I am sure we could counter a blockade very well. If everyone united in an action and the entire Third World adopted a common stand, what could the industrialized world do? It cannot blockade any one, because to do so would be to blockade themselves. This is what we have made this analysis for the sake of those

who claim this is insane. They think that what happened to us cannot happen to anyone else. When they imposed the super blockade, the total blockade on us, trucks, locomotives, and everything that moved here had U.S. parts. All factory equipment had U.S. parts. We did not have a mechanical industry, but we started to manufacture parts out of anything. We made spare parts for textile machinery even out of wood. It was like wartime. Sometimes, we even had to manufacture a small part out of wood for rifles because we did not have steel. It was difficult, but our rifles worked. Thus we also began moving our trucks, not with wood, but we developed a steel industry. We were manufacturing the spare parts here with our lathes. Those were difficult years, perhaps the most difficult years of all. We were alone; we had no solidarity. Only the socialist countries helped us. However, those who will wage this battle today will have tremendous solidarity from everyone, because they know this is everyone's battle.

If there were a case of some desperate countries who would move in these directions, I think we have enough resources. This would be the 50th blockade for us. I doubt if they would commit the stupidity -- if they are smart and have some thinking people -- of adopting measures against the countries which are forced to adopt measures out of despair. That is how I think and how I am clearly explaining this.

Cuba is a good paying customer. This is a new category [laughter] that has come up after we unleashed this battle of the debt. In order to wage this battle, you must begin to discuss the debt in Chile, which does exist. When you get some free time, examine the speeches at the close of the continental meeting on the debt. You probably know more about that than I do. You looked it up, didn't you? [laughter] This is a new category, since this battle has been unleashed. (?Some) have become active in this struggle; this category is new. Imperialism never would have said that we are good paying customers. On the contrary, the imperialists would tell the banks: They do not pay well, do not lend them money. Look, the price of sugar dropped; do not do that. They have spent all of their lives sabotaging Cuba's credit. [applause]

Suddenly, imperialism raises us up to the ranks of the best payers in the world. Such credit! Because they must now increase Cuba's credit, the United States says we are the best payers in the world. Imagine that! And why? Because we are little orphans. [laughter] Poor little things, we are indigent for being such big-mouths. They have no idea. They do not know how to counter all of these arguments. They are trying to do anything, making up stories.

They say that while Cuba tells others not to renegotiate, Cuba renegotiates. I am not telling others not to renegotiate. We are not referring to an isolated country. We are planning meetings with them. We are negotiating how to erase the debt, which is something else: to sit down to discuss the cancellation of the debt, to erase the debt. That is the issue, but they do not understand that. We should be elegantly discussing that issue on a friendly basis with the Latin American and the Third World countries, because this is a problem of the entire Third World. This is a problem involving the entire hemisphere, the area, the region, but the area which is in the best condition for leading this battle is Latin America. Why? Because it has the greatest political power, is more developed, is in better condition than the others. I am sure all of the other countries would accept it if Latin America were in the vanguard. Besides, the others have no choice, as they are in very critical, explosive situations. This situation is not exactly the same in our countries, but in Latin America there is a situation where we can discuss it. [Castro mumbles, hesitates] now, I say that they are not going to discuss until the crisis explodes, until they do not see a willingness to adopt a decision concerning this problem. That is what we have proposed, and we propose they meet. Now, we say that some countries do not agree because some will take measures and unleash the crisis. We are trying to prevent this; we are trying to prevent the battle from being unleashed a little bit here today, then tomorrow somewhere else. They are trying to postpone the problem. They can postpone the problem, but they cannot avoid it. It is impossible; the figures say it is impossible.

We are reading here a report on Mexico, and this situation worsens. It will worsen and not improve. The conditions exist for waging a battle with all possibilities of winning. Now, the situation which prevailed in Cuba with its debt is totally different from the rest of Latin America. I will explain, it is very simple. In the first place, no one stole a cent in this country. There are very few countries that can claim no one stole a cent. No one stole a cent from our loans that were invested in development. As a result of the U.S. blockade, we sold our nickel and sugar at very low prices on the world market, and thus it was necessary for us to obtain credits at a certain time. For the first 10 years, we did not obtain any credits, not a cent during the first 10 years. Nevertheless, we advanced. Then we received the first short-term credits, credits for investments, some credits for business transactions. That is how we created our foreign debt in convertible currencies. We do so because there is no new economic order, and since we have not said that we are going to postpone it for 10, 15, or 20 years without interest. We have been affected by our trade with the Western world, but that amounts to 15 percent. Eighty-five percent of our trade is with the socialist world. In other words, this catastrophe and all of the criminal prices which are paid for products affect 15 percent of our exports. The other 85 percent, which is under good commercial conditions, is what helps us to subsist.

Our debt is not large. Part of it is with Third World countries: Argentine credit -- that is part of our convertible debt -- which is part of our direct commercial debt; credits with other Third World countries. Well, we are not proposing to not pay anyone or not pay our debts with the Third World countries. We are even thinking that once we erase the debts, our policy with regard to the Third World countries -- as creditors -- would be different, and we would pay those debts. Our Argentine brothers would be unable to sleep [laughter] if we did not pay our debt to them. I am not saying this. [Castro laughs] It would not be fair, considering all the problems they have and all they are going to have. [laughter]

If they want to pardon the debt, that is something else. [laughter] We are struggling so that they can pardon your debt, not for you to pardon ours. [laughter, applause] More than pardon, we are struggling for them to forget it. There is nothing to pardon, conforming to the ethical and philosophical nature of the problem.

Now then, part of that debt, and convertible currency, we owe to the Western banks. Correct. But we do not owe a cent to U.S. banks. We do not owe a cent to the World Bank or to the IMF. They are cynics. They lack arguments without valid arguments. Their political influence and lack of scruples is so great that they dare speak on these terms and use such arguments, knowing that we owe them nothing. They would not use that argument with Brazil. They would not be advising them not to pay the debt; or with Argentina, or Venezuela, or any of the other countries.

Not a single cent borrowed by us was stolen or lost. Not a single cent of that money went out of the country. Every cent was invested in development projects and services to the people. Can any other country in Latin America say this? None can say this. We could not say our investments were optimum, but we invested the money the best way possible and the projects are all there. In 25 years not a single dollar has left the country. That is essential for development because if you sell all the merchandise and in the end the money disappears, then how can there be development? It has disappeared everywhere else, and you know that well. [laughter] There are dollars circulating from various sources [laughter], which have helped in some ways, like the invisible balance of payment. [laughter] That is why the debt has not been so large. It is big, but not gigantic. And the invisible help came one way or another. [laughter, applause]

Who loaned us money? A few banks, not many, and in open disobedience to U.S. pressure. Those banks who loaned us money during the blockade years had to resist U.S. pressure. They invested that money by lending it to us. Then, it is easy to say: Give an example

and do not pay those banks. Naturally it is a trap, like slipping on a banana peel, and we are not going to let them pull our leg and lead us into provoking emotional decisions or anything of the sort. Then, logically, it is with those banks that we have renegotiated the debt. While the United States has tried in every way to extend the boycott -- they are cynical, saying that they have boycotted this country for 26 years -- we resisted the boycott, developed certain relations, which helped fight the boycott, with some Western nations, even some banks. It helped us in the struggle against the U.S. boycott. As long as these institutions do not join the U.S. boycott, we shall continue to renegotiate with them.

There are not many banks, but we cannot facilitate the United States extending its boycott against Cuba to the rest of the Western world. We cannot forget that we are a nation that has been completely boycotted by the United States, a huge economic and financial power, for the past 26 years, and that we created these mechanisms against the boycott in the defense of the country.

Now, we have already said that we are not waging a battle for Cuba. If we have 85 percent of our trade with the socialist nations under existing conditions, it is easy to understand that we are in a desperate, critical situation. The cost of the interest of our debt in convertible currency is less than 5 percent of the total of our exports. The cost of the servicing of the debt in convertible currency, which includes some amortizations, is less than 9 percent of the total exports of the country. Our situation is not overabundant or free from difficulties, but it cannot possibly be compared to a desperate situation.

What shall we do? We are recommending the formula that is applicable to all countries, not to us. We are not recommending an isolated nation adopt measures, much less if the measures are not going to help them in any way and instead help the imperialists. The Yankees can rest assured that we are not going to help in any way. It is not easy for them to fool us. They show great cynicism and lack of argument when they cannot debate this, and have turned us into the best payers in the world overnight.

[Woman interrupts] What about Keynes' Castro [Castro Keynesiano]?

[Castro] Well, Keynes' Castro: "The Great Truth" has been explained somewhere around here [in one of the papers]. I did not even remember that it existed. But somehow, there is the increased cash circulation at the world level, the purchasing capacity, you should know about that, you studied in Boston, you must have studied more Keynes than I did. What I studied was the problems we have in our country and what we have done in the Third World, because we have done much and thought much about its problems. Now some capitalists are beginning to realize that if the Third World had a purchasing power of 300 or 400 billion pesos more, many of their industries would be in full production and capitalism would survive a little longer. Capitalism is sentenced to death; history has sentenced it to death because it is a system based on chaos and these catastrophes cannot survive with these crises and supercrises, improving one year and deteriorating the next, going from crisis to crisis, faster and deeper.

First there was the crisis of the thirties and now we have our current crisis. Consequently, the system has failed in our countries and at world level. What has been the outcome of all this? They have tried to deceive us; they invented the Alliance for Progress to counter the Cuban revolution's victory. Oh, yes, what a marvel. They said they would give \$20 billion in 10 years, \$20 billion. Oh great, but what for? For development, progress, everything, they said. Now the Latin American countries are paying almost \$40 billion in interest per year, plus \$10 billion in capital drain, which makes \$50 billion, plus \$20 billion as a result of the deteriorated prices because they receive merchandise which is sold at much lower prices.

They are taking \$70 billion from us, including the consequences of the dollar's overvaluation. I do not mention the overvaluation, the high interest rates, because these are included in the \$40 billion which must be paid. Last year the Latin American

~~countries paid \$37.3 billion in cash and received \$10 billion. The net balance of what they paid in cash was \$27.3 billion. If you add the \$10 billion which was stolen, it means they have turned over \$37.3 billion in cash during a single year, during 1984. How much will they pay this year? Then they get some loans to pay part of the interest, and the countries have to overextend themselves to pay the rest, because their products are selling at much lower prices. That is the situation and it is worsening.~~

However, we must not lose the hope that some people will reflect, think, and become aware that it is much more advantageous for them to allow an extension of time for payment. It would be advantageous for us, because we know what we want for ourselves. If they are intelligent, they will derive some temporary advantage and overcome this crisis, but capitalism will not survive. Capitalism will emerge in bad shape. Capitalism will be greatly affected by this crisis because it proves that nothing has been resolved. What have they resolved in Latin America? They talked about the Alliance for Progress and what happened? Is there no more illiteracy? Is there no more poverty, drugs, gambling, prostitution, and unemployment? There are 110 million unemployed and underemployed in Latin America, and a large percentage of these are young people. There were 38.5 million youths between the ages of 15 and 25 in 1960; now, 20 years later, we have 73.3 million. Unemployment has risen above 50 percent among the youths of that age in Latin America -- even in Venezuela. In 1958 58 percent of youths between the ages of 10 [Castro corrects himself] 15 and 24 years were unemployed. There are statistics to prove that the children in Latin America's poor sectors start looking for jobs when they are 5 years old. They cannot attend technical schools or get secondary educations because they must try to get jobs. There are urban zones in Latin America where 75 percent of the youths between the ages of 15 and 24 are unemployed.

This is what the Alliance for Progress has given us. It was supposed to solve all these problems but it emerged as a demagogic attempt to crush Cuba, to prevent the propagation of revolutionary ideas. What are the results? How many houses of prostitution do we have in our country? How many beggars? How many children begging for money? How many casinos do we have in our country? How many establishments for the consumption of drugs? You will not find a single casino or establishment for the consumption of drugs. We do not have this problem, and we do not have unemployment problems, either. What we need in many areas of the country is more hands, a work force. After 25 years we have achieved a ninth grade minimum level of education among our workers. The universities have more than 200,000 students. We have an education system in which the same number of students who register for primary school continue through secondary school and complete higher education.

This is a country in which we have a doctor for every 440-odd inhabitants, a country which can help other countries and which is graduating more than 2,500 doctors per year. Soon we will be graduating between 3,000 and 3,500 doctors per year. This is a country in which the primary education teachers have begun to graduate from the university with masters degrees in primary education. This is what the revolution which they tried to crush has done and what is the contrast? I am not trying to make propaganda for Cuba because it hurts me to say this, but I will say it, I will ask: Where are the models? What has the capitalist, imperialist model achieved in Latin America? What are the results in the health sector and other sectors? The UNICEF director said in this same room that if the children in Latin America had the same health levels as the children in Cuba, 750,000 children under the age of 1 would be saved every year. Consequently, I ask: Who kills them? Socialism? Are they not killed by imperialism, exploitation, capitalism, and all those other capitalist models? Who starves these children? Who is to be held responsible because millions of children and youths grow up -- and I am talking about children under the age of 1 -- with

physical and mental handicaps. Almost 50 percent of the children grow up with physical and mental handicaps due to nutrition problems. Who produces so many mentally retarded and physically underdeveloped people? Who produces this? Socialism? Does Cuba produce this? Who produces all these calamities? Imperialism and capitalism. I assure you, capitalism will emerge in bad shape from all this. [applause]

I said yesterday that this problem about the debt is a product of the system. I said that this is a diabolical thing, but it could not come from hell, only from heaven. I was joking, referring to the efforts exerted by the liberation theologians who have brought us this problem of the debt, which has become a colossal instrument for the Third World countries. For the first time in history, the countries will be able to take the initiative. They will not have to sit down to ask or beg. They will simply say: Look, we are giving this to you, but we will simply not give you any more. The initiative is at hand. I see so many logical, elemental things which might possibly help solve this problem in the near future. I must logically assert my conviction -- I already did -- that this problem will be solved and a social explosion will take place. I think that we will soon be able to say: Either the problem is solved or there will be a generalized revolution in Latin America and the Third World.

I think that with these words I have given you a broad idea of my thoughts. I think that there are no secrets, no cards hidden up our sleeves. We have said what we think; it is not always good but it is always advantageous. [laughter, applause] It is necessary for the masses to have been here for almost 4 hours. I am not tired, but I am thinking about you. [laughter] I think that the basic issues, above all the minor points, have been covered. I might think of something else later on, but the meeting will be over by then. [laughter] I will have to wait for the next occasion.

What do you think, must we ask permission to close the assembly? This has become an assembly. We must close this. What? Well, I have the permission [laughs] to close the assembly. [lengthy applause]

MALMIERCA REITERATES POLICY ON CUBANS IN ANGOLA

PA011521 Havana International Service in Spanish 0000 GMT 27 Sep 85

[Text] Cubans have a commitment to Angola's defense and territorial integrity and will therefore remain in that country as long as is necessary, Cuban Foreign Minister Isidoro Malmierca said during an interview with the Portuguese newspaper JORNAL DE NOTICIAS.

Malmierca pointed out that the main task of the Cuban volunteers in Angola is to help eradicate the colonial legacy of backwardness and to face the South African aggression against that country. He added: This is the best answer we can offer to the governments that insist on distorting the real meaning of our presence in that sister nation.

Also in statements to JORNAL DE NOTICIAS, Angolan President Jose Eduardo dos Santos said that in 1975 his country had to seek foreign aid in order to face a large-scale invasion from South Africa and pointed out that the constant aggressiveness of the Pretoria regime is the reason for the presence of Cuban troops in Angola.

Dos Santos said that the United States uses this situation as an excuse to hinder the achievement of peace in southern Africa and Namibia's independence, and stated that the Cuban troops are a guarantee of stability and even of peace, in view of the increasing hegemonic tendency of the South African racists in this area.

COMMENTARY RECALLS CASTRO'S FIRST UN SPEECH

PA010329 Havana International Service in Spanish 0000 GMT 26 Sep 85

[Station commentary]

[Text] This 26 September will mark 25 years since Fidel Castro went before the UN General Assembly for the first time. In reviewing what Fidel Castro said in his first speech delivered at the UN General Assembly on 26 September 1960, we realize that the main leader of the Cuban revolution had a clear vision of the future and also internationalist and humane potential which our country has developed fully in 26 years of existence.

Fidel Castro went to the United Nations to denounce the hostile U.S. policy toward our newly born revolution, and he also exposed the imperialist plans against the underdeveloped countries, including its dirty deals on economic matters, which originated the serious crisis the world is facing today.

Referring to the White House's slander against the Cuban revolutionary government, Fidel Castro said they would not have accused us of betraying the people if in reality we had betrayed the people and stood up for the big foreign monopolies' interests.

Fidel Castro said that the revolutionary government's crime had been to promote a program for the country's development, that is why we have been treated here as we have and why we have such powerful enemies.

On that occasion he accused the U.S. Government of being opposed to holding talks on the economic impoverishment of the Third World because it would have meant exposing the big transnationals, which are the real and only responsible source of the terrible situation we are facing.

These concepts were developed years later when, in October 1979, as president of the Nonaligned Movement, Fidel Castro strongly demanded at the United Nations the end of unjust exchange, of capitalist inflation, and of spending large sums in arms, and, as fundamental and necessary, the total annulment of the foreign debt, which dangles threateningly like the sword of Damocles over the uncertain future of our impoverished countries.

In 1960, Fidel Castro demanded an end to the policy of plunder as a prerequisite for an effective peace, and, in October 1979, he again made the same demand.

According to Fidel Castro, from the beginning of mankind wars have had one purpose, to take away the wealth of others. If the colonies and exploitation should disappear, mankind could have a real period of progress, Castro said.

Nineteen years later, with a more tense international situation due to imperialism increasing its preparation for a nuclear conflict, Fidel Castro said at the United Nations that the rumble of arms, of strong language and arrogance in the world must disappear.

We have to stop believing that the world's problems can be solved with nuclear arms. Bombs can kill the hungry, the diseased, and the illiterate, but they cannot kill hunger, disease, and illiteracy.

Neither can it kill the just rebellion of the people. Besides, in holocaust, the rich will also die and they are the ones who have the most to lose in this world.

Twenty-five years after Fidel Castro's first appearance at the United Nations his words have the same validity as they did then, and time has not eroded their importance.

FURTHER COVERAGE OF VISIT BY TANZANIA'S NYERERE

Official Talks Begin

FL010328 Havana Television Service in Spanish 0000 GMT 1 Oct 85

[Text] This afternoon, official talks were held between the delegation from the United Republic of Tanzania headed by President Julius Nyerere and the Cuban delegation headed by our Commander in Chief Fidel Castro, party Central Committee first secretary and president of the Councils of State and Ministers.

Among others, Tanzanian Foreign Minister Benjamin Mkapa accompanied the leader of the Revolutionary Party of Tanzania. On the Cuban side, Comrade Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, participated in the talks, as well as other members of the party's Central Committee.

Nyerere Accepts Honorary Degree

FL011343 Havana Television Service in Spanish 1100 GMT 1 Oct 85

[Text] Julius Nyerere, president of the United Republic of Tanzania, received the honoris causa doctorate in political science from the University of Havana. Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the Councils of State and Ministers, attended the ceremony that was held last night in the main auditorium of the university.

The honoris causa doctorate in political science was awarded to Nyerere by Armando Flores Perdomo, vice rector of the University of Havana, who read the rectoral decision conceding the distinction to the Tanzanian leader for his long and fruitful political career, leading his people, for true independence, and instructing future generations.

For his part, Nyerere appreciated his honorary degree which he said was of special significance because it was from a revolutionary university such as Havana. He also referred to his experiences in the struggle against colonialism and neo-colonialism. He stressed global cooperation and condemned apartheid, as well as all forms of racial discrimination.

In his speech, Politburo member Carlos Rafael Rodriguez stressed that it was an honor for the University of Havana to bestow the honorary degree to a prominent personality like Nyerere.

Visits Isle of Youth

FL011933 Havana Television Service in Spanish 1700 GMT 1 Oct 85

[Text] The people from the special municipality of Isle of Youth have given a massive welcome to Tanzanian President Julius Nyerere who was accompanied by Commander in Chief Fidel Castro. Pioneers, students, and the general population lined up along the path followed by the distinguished guest who is scheduled to carry out a wide program including areas of historic, economic, and social interest in that territory. A visit to the national monument Modelo Prison, countryside schools, and industrial and urban areas of Nueva Gerona City are also scheduled.

CUBA, ALBANIA BEGIN FOREIGN TRADE TALKS

FL271822 Havana Television Service in Spanish 1700 GMT 27 Sep 85

[Text] Delegations from Cuba and Albania headed by the ministers of foreign trade of the two countries, Ricardo Cabrisas and Shane Korbeci, have begun official talks in Tirana, Albania's capital, on bilateral trade over the 1986-1990 period. During the meeting, both parties expressed their satisfaction with the progress made in this area and stressed the need to incorporate new forms of cooperation.

CABRISAS MEETS BULGARIA'S ZHIVKOV AT TECHNICAL FAIR

FL301434 Havana Domestic Service in Spanish 1402 GMT 30 Sep 85

[Text] Bulgarian State Council Chairman Todor Zhivkov and other Bulgarian leaders visited today the Cuban pavilion in the 41st Plovdiv International Technical Fair. Cuban Foreign Trade Minister Ricardo Cabrisas met the Bulgarian head of state at the Cuban exhibition hall. Zhivkov praised the Cuban exhibit, which occupies 400 square meters. The exhibit reflects Cuban economic achievements and includes computer equipment, medical instruments, articles from the steel industry, items from [word indistinct] production, and construction material. More than 2,000 firms from 30 countries are participating in the new version of the Plovdiv fair dedicated to machinery, equipment, and technology.

POLISH COMMUNIQUE ON JARUZELSKI'S VISIT TO CUBA

AU301142 Warsaw TRYBUNA LUDU in Polish 25 Sep 85 p 3

["Communique on General W. Jaruzelski's Visit to Cuba"]

[Excerpt] Army General Wojciech Jaruzelski, PZPR first secretary and chairman of the Council of Ministers of the PPR, paid an official visit of friendship to Cuba on 20-24 September at the invitation of Fidel Castro, first secretary of the Cuban Communist Party [PCC] Central Committee and president of the State Council and the Council of Ministers of the Republic of Cuba.

The program of the visit of the Polish party-government delegation included talks and meetings with Fidel Castro and other members of the leadership of the PCC and the Cuban Government. Army General W. Jaruzelski placed a wreath at the monument of Jose Marti, the great Cuban patriot and poet, and at the grave of Karil Roloff-Mialowski. Accompanied by Raul Castro, second secretary of the PCC Central Committee, deputy president of the State Council and the Council of Ministers, and minister of the Revolutionary Armed Forces, W. Jaruzelski visited the higher officer school named after Karil Roloff-Mialowski, a hero of the Cuban people's liberation struggle in the 19th century and a Polish soldier-internationalist.

W. Jaruzelski met with workers of our diplomatic and trade centers in Havana and with Polish specialists employed in Cuba.

The entire Polish visit to Cuba was marked by an atmosphere of open sympathy and cordial friendship for the Polish people. The leadership of the PCC and the Cuban Government and representatives of the Cuban people once again demonstrated their full support for our activities to normalize our life and to make our socialist construction possible.

During plenary talks and direct meetings between W. Jaruzelski and F. Castro, Polish-Cuban relations were discussed and important decisions were made to ensure the continued comprehensive development of these relations. Areas of economic and scientific cooperation that may help raise the Polish and Cuban peoples' living standards were taken into special consideration.

W. Jaruzelski and F. Castro signed a Polish-Cuban multiyear program for cooperation, specialization, and socialist economic integration up to the year 2000. They also exchanged views on the current international situation and the world communist and workers movement. Complete identity of views was achieved on all the issues under discussion. Poland and Cuba will tighten still further their cooperation in the international arena in defense of world peace and in the struggle against the increasing trends toward confrontation and against attempts to return to the policy of strength.

Poland and Cuba resolutely oppose the continuation of the arms race and the plans for the militarization of space, and fully support the Soviet proposal on disarmament. Poland and Cuba condemn the aggressive actions of the imperialist forces in order to maintain unequal and unjust relations among countries and to preserve the remnants of colonialism and racism, especially apartheid, which is the most glaring form of racism.

Poland and Cuba always support the just aspirations of the people who continue to fight for freedom, independent existence, and the right to determine their own destiny and their political social systems. In this context they are in favor of a peaceful solution to the conflicts in Central America and support the activities of the Contadora countries.

Poland and Cuba believe that the solution to the economic and fiscal differences that are so prominent in the current international relations can be achieved through implementing the requirements of a new economic order. On behalf of the PZPR Central Committee and the PPR Government Army General Wojciech Jaruzelski invited Comrade Fidel Castro to pay an official visit to Poland. The invitation was accepted with pleasure.

PENA GOMEZ ASKED TO MEDIATE IN DUARTE KIDNAPPING

PA012310 Paris AFP in Spanish 2208 GMT 1 Oct 85

[Text] Santo Domingo, 1 Oct (AFP) -- Jose Francisco Pena Gomez, Santo Domingo mayor and Socialist International [SI] vice president, today reported that he had received a formal request by the Salvadoran Government to mediate in the case of the kidnapping of the Salvadoran president's daughter Ines Duarte.

Pena Gomez called the press together to release the information, but conditioned his intervention in the case to the Pedro Pablo Castillo commando's -- which has claimed responsibility for the kidnapping -- acceptance of his mediation. He also reported that he talked by telephone with Guillermo Ungo, president of El Salvador's opposition FDR who is also an SI vice president. Ungo told Pena Gomez that neither he, the FDR, nor its military ally, the FMLN, are involved in the kidnapping. Pena Gomez also reported that mediation is difficult for this reason. The mayor said that the message containing the formal mediation request by the Salvadoran Government was delivered to him 3 days ago by Alberto Lopez Nuila, Salvadoran ambassador to the Dominican Republic. On 17 September, 1 week after the abduction of Ines Duarte, Pena Gomez announced his willingness to mediate in the case for humanitarian reasons and also because the SI does not condone kidnapping as a proper method of political struggle.

JOINT COMMUNIQUE ISSUED WITH EGYPT

NC260458 Cairo MENA in Arabic 1510 GMT 25 Sep 85

[Text] Santo Domingo, 25 Sep (MENA) -- Egypt and the Dominican Republic have emphasized the legitimate rights of the Palestinian people, particularly their right to self-determination. They have also declared their support for peace efforts in the Middle East and in Central America. This support came in a joint communique issued today at the end of the official visit which Dr Butrus Ghali, minister of state for foreign affairs, paid to the Dominican Republic. The communique pointed to the efforts being made by Egypt to reach a just and comprehensive solution to the Middle East issue. Touching on current relations between Egypt and the Dominican Republic, the communique pointed to the agreement reached to increase the volume of trade and the cultural and scientific exchange between them.

Dominican President Salvador Jorge Blanco was happy to attend a reception today hosted by Ibrahim al-Sukkari, the Egyptian ambassador to the Dominican Republic, at the end of Dr Ghali's visit. Dr Ghali arrived in the Dominican Republic last Sunday as part of his tour through a number of Latin American countries.

COMMUNIST PARTY LEADER RECEIVES DEATH THREAT

FL272350 Santo Domingo LISTIN DIARIO in Spanish 15 Sep 85, p 5

[By Saul Pimentel]

[Excerpt] The Dominican Leftist Front, (FID), said it has decided to give "all the serious attention merited" to a death threat made against Narciso Isa Conde, secretary general of the Dominican Communist Party, and his family. In a published document, FID calls on the "democratic forces" of the country to defend the physical integrity of Isa Conde and confront "with vigor" the plan of repression which, in their opinion, is framed in that threat.

GRENADAGOVERNMENT ESTABLISHES RELATIONS WITH PRC

FL011440 Bridgetown CANA in English 1354 GMT 1 Oct 85

[Text] Peking, China, Oct 1, CANA-REUTER -- Grenada today established diplomatic relations with China, the NEW CHINA NEWS AGENCY said. It said a joint communique was signed in the Grenadian capital, St George's, by Acting Prime Minister Ben Jones and China's ambassador to Barbados.

JAMAICAAIRPORT SECURITY FORCES DRUG SMUGGLERS TO SEA

FL011446 Bonaire Transworld Radio in English 1130 GMT 1 Oct 85

[Text] Jamaican Prime Minister Edward Seaga says marijuana worth \$140 million has been seized from ships bound for the United States in the last year and a half. The prime minister says marijuana smugglers are turning to the sea in increasing numbers now that Jamaica has tightened security at the island's airport.

ST VINCENT AND THE GRENADINESWOODS APPOINTED NEW DIRECTOR OF TOURISM

FL011800 Bridgetown CANA in English 1721 GMT 1 Oct 85

[Text] Kingstown, St Vincent, Oct 1, CANA -- The St Vincent and the Grenadines Government has announced the appointment of a new director of tourism. Mrs Janet Woods, a former secondary school teacher who joined the tourism department four years ago, was chosen to succeed Vera-Anne Brereton who resigned last March to take up a similar position in the British Virgin Islands. Woods, whose appointment took effect from August 1, was acting in the post since the resignation of Brereton.

RELATIONS WITH DENMARK SOFTEN 'ORANGE HILL AFFAIR'

FL011740 Bridgetown CANA in English 1658 GMT 1 Oct 85

[Text] Kingstown, St Vincent, Oct 1, CANA -- St Vincent and the Grenadines and Denmark have established diplomatic relations effective September 19, the Foreign Office announced here. The two countries exchanged diplomatic notes through their missions in London, saying they desired to strengthen the friendship and cooperation between them.

St Vincent Prime Minister James Mitchell, who is also foreign minister, expressed confidence that the move will facilitate settlement of the so-called "Orange Hill Affairs." The St Vincent and Grenadines Government, in May this year, acquired the 3,000 acre Orange Hill Estate from a group of Danes who had bought it from a Vincentian family. Government accused the Danes of "circumventing" the country's aliens' land holding regulations in order to avoid the need to obtain an aliens' land holding licence, and said their action was an embarrassment to the government and people of St Vincent and the Grenadines. The Danes bought the estate for 2.1 million dollars (U.S.) and have now asked for 8.33 million dollars (U.S.) compensation.